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REPORT

OF

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THE SELECT COMMITTEE

OF THE

HOUSE OF REPRESENTATIVES,

APPOINTED UNDER THE

RESOLUTION OF JANUARY 6, 1873,

TO MAKE INQUIRY IN RELATION TO

THE AFFAIRS OF THE UNION PACIFIC RAILROAD COMPANY, THE CREDIT MOBILIER OF AMERICA, AND OTHER MATTERS SPECIFIED IN SAID RESOLUTION AND IN OTHER RESOLUTIONS REFERRED TO SAID COMMITTEE.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1873.

42D CONGRESS, 3d Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 78.

AFFAIRS OF THE UNION PACIFIC RAILROAD COMPANY.

FEBRUARY 20, 1873.—Ordered to be printed and recommitted.

Mr. JEREMIAH M. WILSON, from the Select Committee (No. 2) on the Credit Mobilier, &c., made the following

REPORT:

[To accompany bill H. R. 4031.]

The select committee appointed under the resolution of the House of January 6, 1873, to make inquiry in relation to the affairs of the Union Pacific Railroad Company, the Credit Mobilier of America, and other matters specified in said resolution and in other resolutions referred to said committee, now submit to the House the following report as to a portion of the matters therein:

By the statutes of July 1, 1862, and July 2, 1864, which, for most of the purposes of this discussion, may be treated as a single act, Congress created a corporation to be known as the Union Pacific Railroad Company, with authority to construct and maintain a railroad and telegraph from a point on the one hundredth meridian of longitude west from Greenwich to the western boundary of Nevada Territory, upon a route and on the terms specified, there to connect with another road largely endowed by the Government, so as to form a continuous line of railroad from the Missouri River to the navigable waters of the Sacramento River in California, and thereby to unite the railroad system of the Eastern States with that of California, strengthen the bonds of union between the Atlantic and Pacific coasts, develop the immense resources of the great central portion of the North American continent, and create a new route for commerce from the Atlantic and Europe to the Pacific and Asia. By an act passed July 3, 1866, the company was authorized to locate and construct its road from Omaha, in Nebraska, without reference to the original initial point at the one hundredth meridian. To aid in accomplishing these vast results, the corporation was clothed by the Government with a proportionally vast endowment. The right of way through the public land, the Government undertaking to remove all Indian titles, for a space of two hundred feet in width on each side of its entire route; the right of eminent domain to appropriate necessary private land-space for depots, turnouts, &c.; public lands to the amount of ten alternate sections per mile within the limits of twenty miles on each side of said road, were given to this corporation.

It was further provided that upon the certificate of three commissioners, appointed by the President, of the completion and equipment of every section of twenty consecutive miles of said railroad and telegraph in accordance with the provisions of the act, the Secretary of the Treasury should issue to the corporation bonds of the United States of $1,000 each, payable in thirty years after date, with interest at the rate of 6 per cent. per annum, payable semi-annually, to the amount

of $16,000 per mile for a portion thereof, and $32,000 per mile for a portion, and $48,000 per mile for a portion. These bonds were to be a loan to the corporation. To secure their repayment the act of 1862 provides that their issue shall, *ipso facto*, constitute a first mortgage on the whole property of the company. This lien was, by the act of 1864, subordinated to a mortgage executed by the corporation to secure its own bonds for an amount equal to the amount issued by the Government, as aforesaid. Pursuant to these provisions, the company has received from the Government bonds to the amount of $27,236,512, and has issued its own bonds to the amount of $27,213,000. The corporation has also received, by patents issued, 654,419 acres of the public lands, leaving about 11,345,580 acres, not yet patented, embraced in the grant. It has issued bonds, called land-grant bonds, to the amount of $10,400,000. These land-grant bonds are secured by a deed of trust executed to John Duff and Cyrus McCormick, covering all the lands embraced in the grant.

It has also issued what are called income bonds to the amount of $9,355,000. These bonds are secured by a pledge of the income of the road to three trustees, Benjamin E. Bates, John R. Duff, and F. Gordon Dexter. It has also issued stock to the amount of $36,762,300. It has also taken possession of and is enjoying the land needed for its way, turnouts, stations, &c.

It will thus be seen that all that the Government stipulated to do in aid of this enterprise has been done.

The aid thus afforded by the Government was accompanied with precise directions as to the proceedings of those to whom it was intrusted, and Congress endeavored to provide sufficient safeguards to secure the faithful performance of their trust. It was provided that the capital stock should be paid in in money. In relation to this the act is emphatic and unmistakable. There were to be ten directors, each of whom must be the *bona-fide* owner of five shares of the capital stock. The act of 1862 provided that the shares should be of the par value of $1,000 each, of which not more than two hundred should be owned by any one person. This was changed by the act of 1864, so that the shares might be held in small quantities, and the par value was fixed at one hundred instead of one thousand dollars. Both acts provided that the stock should be actually paid in full in money, in assessments of not less than 5 per cent., at such intervals, not to exceed six months, as should be determined by the directors.

The interests of the Government were to be especially protected by five Government directors appointed by the President, one of whom should be a member of every standing and special committee. Annual reports were required to be made to the Secretary of the Treasury, setting forth the names and residence of the stockholders and officers, the amount of stock subscribed, the amount of stock paid in, the indebtedness of the road, and its receipts. The claim of the Government to a re-imbursement for the loan of its bonds was secured by a second mortgage or lien upon the road; by the obligation to apply at least 5 per cent. of the net earnings after the road is finished thereto; and whenever the net earnings of the road amounted to 10 per cent. of the cost, Congress reserved the right to legislate for the reduction of the fares; and, if unreasonable in amount, to fix and establish the same by law; and further reserved the power, having due regard to the rights of the corporation, to add to, alter, amend, or repeal the act.

The purpose of the whole act was expressly declared to be "to promote the public interest and welfare by the construction of said railroad

and telegraph line, and keeping the same in working order, and to secure to the Government at all times, but particularly in time of war, the use and benefit of the same for postal, military, and other purposes."

Your committee cannot doubt that it was the purpose of Congress in all this to provide for something more than a mere gift of so much land, and a loan of so many bonds on the one side, and the construction and equipment of so many miles of railroad and telegraph on the other.

The United States was not a mere creditor, loaning a sum of money upon mortgage. The railroad corporation was not a mere contractor, bound to furnish a specified structure and nothing more. The law created a body politic and corporate, bound, as a trustee, so to manage this great public franchise and endowments that not only the security for the great debt due the United States should not be impaired, but so that there should be ample resources to perform its great public duties in time of commercial disaster and in time of war.

This act was not passed to further the personal interests of the corporators, nor for the advancement of commercial interests, nor for the convenience of the general public alone; but in addition to these the interests, present and future, of the Government, as such, were to be subserved. A great highway was to be created, the use of which for postal, military, and other purposes was to be secured to the Government "at all times," but particularly in time of war. Your committee deem it important to call especial attention to this declared object of this act, to accomplish which object the munificent grant of lands and loan of the Government credit was made. To make such a highway, and to have it ready at "all times," and "particularly in time of war," to meet the demands that might be made upon it; to be able to withstand the loss of business and other casualties incident to war and still to perform for the Government such reasonable service as might under such circumstances be demanded, required a strong solvent corporation, and when Congress expressed the object and granted the corporate powers to carry that object into execution, and aided the enterprise with subsidies of lands and bonds, the corporators in whom these powers were vested and under whose control these subsidies were placed were, in the opinion of your committee, under the highest moral, to say nothing of legal or equitable obligations, to use the utmost degree of good faith toward the Government in the exercise of the powers and disposition of the subsidies.

Congress relied for the performance of these great trusts by the corporators upon their sense of public duty; upon the fact that they were to deal with and protect a large capital of their own which they were to pay in in money; upon the presence of five directors appointed by the President especially to represent the public interests, who were to own no stock; one of whom should be a member of every committee, standing or special; upon commissioners to be appointed by the President, who should examine and report upon the work as it progressed; in certain cases upon the certificate of the chief engineer, to be made upon his professional honor; and lastly, upon the reserved power to add to, alter, amend, or repeal the act.

Your committee find themselves constrained to report that the moneys borrowed by the corporation, under a power given them, only to meet the necessities of the construction and endowment of the road, have been distributed in dividends among the corporators; that the stock was issued, not to men who paid for it at par in money, but who paid for it at not more than 30 cents on the dollar in road making; that of the Government directors some of them have neglected their duties and

others have been interested in the transactions by which the provisions of the organic law have been evaded; that at least one of the commissioners appointed by the President has been directly bribed to betray his trust by the gift of $25,000; that the chief engineer of the road was largely interested in the contracts for its construction; and that there has been an attempt to prevent the exercise of the reserved power in Congress by inducing influential members of Congress to become interested in the profits of the transaction. So that of the safeguards above enumerated none seems to be left but the sense of public duty of the corporators.

Your committee, therefore, proceed to report the facts as they have been able to gather them from the evidence, relative to the manner in which the parties in whom these trusts were reposed have discharged them, and the consequences which have followed.

By reference to the first section of the act of 1862, it will be seen that a subscription of $2,000,000, two thousand shares of $1,000 each, and the payment of ten per cent. thereon, was a condition-precedent to organization.

The sum of about $2,180,000 was subscribed, and ten per cent. (about $218,000) paid in, and thereupon, in October, 1863, the company was organized by the election of a board of directors, &c.

The first contract for the construction of the road was made with one H. M. Hoxie, who seems to have been a person of little pecuniary responsibility. His proposal to build and equip one hundred miles of the railroad and telegraph is dated New York, August 8, 1864, signed H. M. Hoxie, by H. C. Crane, attorney. It was accepted by the company September 23, 1864. On the 30th of September, 1864, Hoxie agreed to assign this contract to Thomas C. Durant, who was then vice-president and director of the Union Pacific Railroad Company, or such parties as he might designate. On the 4th of October, 1864, this contract was extended to the one hundredth meridian, an additional one hundred and forty-six and forty-five hundredths miles, the agreement for extension being signed by Crane as attorney of Hoxie. Hoxie was an employé of the company at the time, and Mr. Crane, who signed as Hoxie's attorney, was Durant's "confidential man," as Durant himself expresses it.

By this contract and its extension Hoxie agreed to build two hundred and forty-six and forty-five hundredths miles of road, to furnish money on the securities of the company, to subscribe $1,000,000 to the capital stock, and he was to receive $50,000 per mile for the work.

On the 11th day of October, 1864, an agreement was entered into by Durant, Bushnell, Lambard, McComb, all directors of the Union Pacific Railroad Company, and Gray, a stockholder, to take from Hoxie the assignment of his contract, (which assignment he had previouly bound himself to make to such persons as Durant should designate,) and to contribute $1,600,000 for the purpose of carrying the contract out.

This Hoxie contract and its assignment were a device by which the persons who were the active managers and controllers of the Union Pacific Railroad Company caused said corporation to make a contract with themselves for the construction of a portion of its road, by which also they got possession of all the resources which it would be entitled to by the completion of said portion, and by which they evaded, or sought to evade, the requirement that the capital stock should be fully paid in in money, by substituting for such payment a fictitious or nominal payment in road building and equipment, each share being treated as being worth much less than its par value. That this was the sub-

stance of the transaction will more fully appear when we come to speak of a subsequent arrangement of the same nature, but on a larger scale.

That in making this contract the interests of the Union Pacific Railroad Company were utterly disregarded, your committee do not doubt. That it was deliberately done we do not hesitate to believe. That belief is founded upon the following summary of the evidence in addition to the facts heretofore stated.

Peter A. Dey, esq., then the engineer-in-chief, testifies that before this contract was made he had surveyed and estimated the one hundred miles embraced in it, and that upon a full estimate he made the cost not to exceed $30,000 per mile; that after this Mr. Reed, an agent and director of the company, came there and directed him to make a larger estimate, putting heavy embankments where none were required, which he did, making an estimate of about $50,000 per mile. When the Hoxie contract was submitted to him he objected to it, and when he found that it was to be executed and the work done under it, he resigned his position as chief engineer, as appears from the following written resignation and private letter addressed to the president of the company:

ENGINEER'S OFFICE, UNION PACIFIC RAILROAD,
Omaha, December 7, 1864.

DEAR SIR: I hereby tender you my resignation as chief engineer of the Union Pacific Railroad, to take effect December 30, 1864, one year from the date of my appointment. I am induced to delay until that time that I might combine the results of surveys of the present year and present them to the company and to myself in a satisfactory manner. My reasons for this step are simply that I do not approve of the contract made with Mr. Hoxie for building the first hundred miles from Omaha west, and I do not care to have my name so connected with the railroad that I shall appear to indorse this contract.

Wishing for the road success beyond the expectation of its members, I am, respectfully, yours,

PETER A. DEY.

Hon. JOHN A. DIX.

Mr. Dey further testified as follows:

Question. Did you send the letter of which this is a copy to General Dix?
Answer. I did.
Q. Was your resignation accepted?
A. Not that I know of.
Q. Did you write any other letter to General Dix?
A. On the same day that I wrote the letter I have just read to you I wrote and inclosed in the same envelope the following:

OMAHA, *December* 7, 1864.

DEAR SIR: With this I send you my resignation as chief engineer of the Union Pacific Railroad Company. My reasons I have given. I received the contract nearly a month ago. When I first read it I felt that it was made against my known views, and I could not be held in any measure responsible for it, but it has since been a constantly recurring subject of thought to me, and I am not now satisfied that I shall be able to acquit myself of all blame if I become an instrument of its execution. You know the history of the M. and M. road, a road that to-day could be running to this point if its stock and bonds only represented the amount of cash that actually went into it. My views of the Pacific Railroad are perhaps peculiar. I look upon its managers as trustees of the bounty of Congress. I cannot willingly see them repeat the history of the M. and M. by taking a step in the incipiency of the project that will, I believe, if followed out, swell the cost of construction so much that by the time the work reaches the mountains the representative capital will be accumulated so much that at the very time when the company will have need for all its resources, as well of capital as of credit, its securities will not be negotiable in the market. From my boyhood I have associated Mr. Cisco and yourself with Mr. Bronson and Mr. Flagg, men whose integrity, purity, and singleness of purpose have made them marked men in the generation in which they lived. Of course my opinion remains unchanged. You are doubtless uninformed how disproportionate the amount to be paid is to the work contracted for. I need not expatiate upon the sincerity of my course when you

reflect upon the fact that I have resigned the best position in my profession this country has ever offered to any man.

With respect,

PETER A. DEY.

The parties above named having procured the assignment to themselves of this contract, were liable individually as partners for all debts incurred in the joint undertaking. They therefore took steps to procure corporate powers as a shield against such risk, and secured for that purpose the control of a corporation afterward known as the Credit Mobilier of America. The following is a brief history of the corporation:

On the 1st day of November, 1859, the State of Pennsylvania granted a charter for the incorporation of the Pennsylvania Fiscal Agency. That charter gave powers of so extraordinary a character that your committee deem it important to insert it here in full. It is as follows:

An act to incorporate the Pennsylvania Fiscal Agency.

SECTION 1. *Be it enacted by the senate and house of representatives of the Commonwealth of Pennsylvania in general assembly met, and it is hereby enacted by the authority of the same*, That Samuel J. Reeves, Ellis Lewis, Garrick Mallory, Duff Green, David R. Porter, Jacob Ziegler, Charles M. Hall, Horn R. Kneass, Robert J. Ross, William T. Dougherty, Isaac Hugus, C. M. Reed, William Workman, Asa Packer, Jesse Lazear, C. S. Kauffman, C. L. Ward, and Henry M. Fuller be, and they are hereby, appointed commissioners to receive subscriptions and to organize a company, by the name and style of the Pennsylvania Fiscal Agency; and the owners of the shares herein authorized to be issued, when the company is organized, shall, under the name and style aforesaid, have perpetual succession; and may purchase, hold, and acquire, by any lawful means, estate, real and personal, and the same may use, sell, lease, let, mortgage, transfer, and convey, and otherwise dispose of; and may sue and be sued, plead and be impleaded, contract and be contracted with, and have and use a common seal, and the same may change at pleasure; and may make by-laws and regulations for the government of their affairs, and may have and use all the rights, powers, and privileges which are or may be necessary for them to have as a company incorporated for the purposes herein stated: *Provided*, That the said company shall not at any time hold, in this State, more land than may be requisite for the convenient transaction of their business.

SEC. 2. That the purpose of this act is to organize an incorporated company, and to authorize them, as such, to become an agency for the purchase and sale of railroad bonds and other securities, and to make advances of money and of credit to railroad and other improvement companies, and to aid in like manner contractors and manufacturers, and to authorize them as a company to make all requisite contracts, and especially to receive and hold, on deposit and in trust, estate, real and personal, including the notes, bonds, obligations, and accounts of States, and of individuals, and of companies, and of corporations, and the same to purchase, collect, adjust, and settle, and also to sell and dispose thereof in any market in the United States, or elsewhere, without proceeding in law or in equity, and for such price and on such terms as may be agreed on between them and the parties contracting with them, and also to indorse and guarantee the payment of the bonds and the performance of the obligations of individuals, of corporations, and of companies.

SEC. 3. That the capital stock of said company shall consist of fifty thousand shares of $100 each; and the commissioners aforesaid, or a majority of them, may, in person or by proxy, open books of subscription at such times and places as they deem expedient, and when five thousand shares shall have been subscribed, and five per cent. thereon shall have been paid in, the shareholders may elect five or more directors; and the directors of the said company, when it shall have been organized, may, and they are hereby authorized and empowered to have and to exercise, in the name and in behalf of the company, all the rights, powers, and privileges which are intended to be herein given; and may, from time to time, increase their resources by borrowing money on a pledge of their property, or without such pledge, or by new subscriptions, not exceeding fifty thousand shares; and any citizen or subject, company or corporation, of any State or county, may subscribe for, purchase, and hold shares of the said company with all the rights and subject only to such liabilities as other shareholders are subject to; which liabilities are no more than for the payment to the company of the sums due or to become due on the shares held by them; and when new subscriptions are made, the shares may be issued at par or sold for the benefit of the holders of the shares heretofore issued.

SEC. 4. That the by-laws shall prescribe the manner in which the officers and agents of the company shall be chosen, and designate their powers and duties, and their terms of service and compensation; and the principal office of the company shall be in Philadelphia, but the directors, under such rules and regulations as they may prescribe, may establish branches and agencies in Europe and elsewhere, and may deal in exchange, foreign and domestic; but the said company shall not exercise the privilege of banking, nor issue their own notes or bills to be used as bank-notes or as currency.

SEC. 5. That three-fifths of the directors of the said company shall be citizens of the United States, and the majority of the whole shall reside in this State.

SEC. 6. That the said company shall pay to the State treasurer, for the use of the State, a bonus of one-half of one per cent. on the sum requisite to be paid in previous to the organization, payable in four equal annual installments, the first payment to be made in one year after the payment on the capital stock shall be made, and also a like bonus on all subsequent payments on account of the capital stock of the said company, or any increase thereof, payable in like manner; and, in addition to such bonus, shall pay such tax upon dividends exceeding six per cent. per annum as is or may be imposed by law.

W. C. A. LAWRENCE,
Speaker of the House of Representatives.
JNO. CRESWELL, JR.,
Speaker of the Senate.

Approved the first day of November, anno Domini, one thousand eight hundred and fifty-nine.

WM. F. PACKER.

On the 3d day of March, 1864, Thomas C. Durant, vice-president of the Union Pacific Railroad Company, purchased this charter for the purpose of using the corporation for the construction of the Union Pacific Railroad.

On the 26th day of March, 1864, by an act of the legislature of the State of Pennsylvania, the name was changed to "The Credit Mobilier of America."

By the terms of purchase of the charter, an agency was to be established in the city of New York, and when the subscription was made it was upon the condition that the full powers of the board of directors should be delegated to the New York agency, and that a railway bureau should be established at said agency, of five managers, three to be directors of the company, (afterward changed to seven managers,) who should have the management of railway contracts, subject to the approval of the president. By these means this Pennsylvania corporation, so far as the management of its affairs was concerned, substantially expatriated itself, and, clothed with the extraordinary powers acquired from the State of Pennsylvania, it proceeded to take upon itself the control of the Union Pacific Railroad Company in the manner following:

It purchased the outstanding stock of that corporation, amounting to about $2,180,000, on which about $218,000 had been paid to the railroad company, the Credit Mobilier paying for this stock the amount already paid. At the time of this purchase the shares of Union Pacific stock were $1,000 each. After the act of 1864 was passed these shares were canceled, and a re-issue was made in shares of $100 each. The re-issue was made to the stockholders of the Credit Mobilier, and by this process the stockholders of the two corporations were made identical. By this means the persons who under the guise of a corporation that was to take the contract to build the road held complete control of the corporation for which the road was to be built.

These things accomplished, they took charge of construction under the Hoxie contract, and the portion of the road lying between Omaha and the one-hundredth meridian was constructed under it.

This contract cost the Union Pacific Railroad Company	$12,974,416 24
It cost the Credit Mobilier	7,806,183 33
Profit	5,168,233 91

This profit is a profit in stock and bonds estimated at par. Their actual value will appear hereafter.

The next event in this history is as follows, and it is stated here to show the animus of those who were managing this great trust:

The Hoxie contract had been completed, finishing the road to the one-hundredth meridian, a distance of two hundred and forty-six and forty-five hundredths miles. An agreement was then made, (November 10, 1866,) by Thomas C. Durant, vice-president of the Union Pacific Railroad Company, with a Mr. Boomer for the construction of one hundred and fifty-three and thirty-five hundredths miles west from the one-hundredth meridian. By the terms of this agreement Boomer was to be paid $19,500 per mile for that portion between the one-hundredth meridian and the east bank of the North Platte, and for that portion lying west of the North Platte within the limits of the agreement $20,000 per mile; the bridge over the North Platte, and station-buildings equipment, &c., to be an addditional charge.

This contract was never ratified by the company, but under it the work progressed, and fifty-eight miles of road had been completed and accepted by the Government. The books of the company fail to show what this fifty-eight miles had cost the company; but from the best evidence that could be procured your committee believe that the cost had not been to exceed $27,500 per mile for construction and equipment, the excess over the contract price being for station-houses, equipment, &c. Inasmuch as the charter required that the station-houses, equipment, &c., should be built and furnished before acceptance by the Government, and inasmuch as the records of the Department show that the fifty-eight miles had been accepted, your committee feel warranted in finding that this had been done and that the cost of the whole was not to exceed $27,500 per mile. But notwithstanding this, on the 5th day of January, 1867, the board of directors by a resolution extended the Hoxie contract over this fifty-eight miles of then completed road, thereby proposing to pay to the Credit Mobilier the sum of $22,500 per mile for this fifty-eight miles, amounting to the sum of $1,345,000, without any consideration whatever.

The following is the resolution of date January 5, 1867:

Resolved, That the Union Pacific Railroad Company will, and do hereby, consider the Hoxie contract extended to the point already completed, namely, three hundred and five miles west from Omaha, and that the officers of this company are hereby authorized to settle with the Credit Mobilier at $50,000 per mile for the additional fifty-eight miles.

That it was proposed to give the Credit Mobilier this profit, if that is the proper word to be used in such a connection, is verified by the fact that subsequently the sum of $1,104,000 was paid to the Credit Mobilier on account of this fifty-eight miles, for the construction of which it never had even the semblance of a contract. Of this $1,104,000 further mention will be made hereafter.

Against this proposition Dr. Durant filed the following protest:

To the board of directors of the Union Pacific Railroad Company:

GENTLEMEN: I protest against the passage of the resolution appearing on your minutes as passed January 5, 1867, purporting to treat and consider the Hoxie contract as extended to the point already completed, namely, three hundred and five miles west of Omaha, and authorizing the officers of the company to settle with the Credit Mobilier at $50,000 per mile for the additional fifty-eight miles. Said resolution was moved and adopted while I was absent from the meeting of the board on necessary business of the company. I make this protest on the ground that said fifty-eight miles has been constructed at much less cost than $50,000 per mile, and has been accepted by the United States Government as complete, and that it was not constructed under the Hoxie con-

tract, and that a considerable portion of the cost thereof had been paid by the company before the adoption of said resolution, and that said resolution does not provide any compensation or advantage to the company by requiring stock subscriptions, or stipulations for the construction of additional portions of the company's railroad, or by any other means or stipulations whatsoever, but leaves the company to sustain a very great and unrequited loss.

Respectfully, yours,

THOMAS C. DURANT.

Durant afterward procured an injunction against this extension of the Hoxie contract over this fifty-eight miles.

The next step was on the 24th day of June, 1867. At this date there had been completed and accepted by the Government ninety-eight and a quarter miles of road west of the one hundredth meridian, at a cost to the railroad company of about $27,500 per mile. Mr. J. M. S. Williams then proposed to build and equip two hundred and sixty-seven and fifty-two hundredths miles west from the one hundredth meridian at $50,000 per mile, and his offer was accepted. At the same time he proposed to the railroad bureau of the Credit Mobilier to assign that contract, if accepted, to that corporation. Here was another attempt to give the Credit Mobilier a profit of about $22,500 per mile on constructed and accepted road, this time on ninety-eight and a quarter miles.

Mr. Williams was asked this question with reference to this proposed contract:

Q. Then what purpose had you to propose to build a road that had already been built by the company at a cost to them of less than the amount mentioned in your proposition?

A. We were identical in interest. The Credit Mobilier and the Union Pacific Railroad Company were the same identical parties. We were building it for ourselves, by ourselves, and among ourselves. There was not $20,000 outside interest in it.

Q. Was this understood at the time?

A. Yes, sir. It was understood that we were dealing with ourselves to get the control in the right hands.

The consummation of this project was defeated by legal proceedings instituted by Durant. Construction was continued. Durant had declared that the Credit Mobilier should never have another contract.

Then a new device was resorted to, which will be explained in what follows.

On the 16th of August, 1867, the "Oakes Ames contract" was entered into. At this time one hundred and thirty-eight miles of road had been completed and accepted west of the one hundredth meridian, at a cost of about $27,000 per mile. The portion of the road embraced in this contract began at the one hundredth meridian, and extended westwardly six hundred and sixty-seven miles, and by the terms of the contract the railroad company was to pay as follows:

For first 100 miles,	$42,000 per mile	$4,200,000
For next 167 miles,	45,000 per mile	7,515,000
For next 100 miles,	96,000 per mile	9,600,000
For next 100 miles,	80,000 per mile	8,000,000
For next 100 miles,	90,000 per mile	9,000,000
For next 100 miles,	96,000 per mile	9,600,000
667		47,925,000

At the time this contract was made there was an understanding that it was for the benefit of the shareholders of the Credit Mobilier. Mr. Ames was only the medium through whom these shareholders should receive the benefits accruing from it.

By this contract Ames was to be paid nominally in cash, but the actual

character of the transaction is disclosed by the following clause in the agreement, namely:

Eleventh. Payments hereon shall be made to the party of the second part, his heirs, executors, administrators, or assigns, in cash; but if the Government bonds received by the company cannot be converted into money at their par value net, and the first-mortgage bonds of the company at ninety cents on the dollar net, then the said party of the second part, his heirs, executors, administrators, and assigns, shall be charged hereon the difference between the amount realized and the above-named rates; pro vided the first-mortgage bonds are not sold for less than eighty cents on the dollar and if there shall not be realized from the sale of such bonds an amount sufficient to pay the party of the second part, his heirs, executors, administrators, or assigns, for work as stipulated in this contract, and according to the terms thereof, then such deficiency shall from time to time be subscribed by said party of the second part, his heirs, executors, administrators, or assigns, to the capital stock of said company, and proceeds of such subscriptions shall be paid to said party of the second part, his heirs, executors, administrators, or assigns, on this contract.

This contract was signed on behalf of the railroad company by Oliver Ames, as president *pro tempore*, who was the brother and business partner of Oakes Ames; it was approved by Oliver Ames, C. S. Bushnell, Springer Harbaugh, and Thomas C. Durant, as executive committee of the railroad company, all of whom, excepting Harbaugh, were interested in the Credit Mobilier.

Pursuant to the previous understanding, that this contract was to be for the benefit of all the shareholders of the Credit Mobilier, on the 15th day of October, 1867, it was assigned by a tripartite agreement to seven trustees, namely, Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, all stockholders in the Union Pacific Railroad Company and in the Credit Mobilier, Oliver Ames occupying the anomalous position of president of the railroad company making the contract, and one of the parties to whom it was assigned, and all of them were directors of the railroad company.

The beneficiaries of the contract under this assignment are shown by the following extract, namely:

Fourthly. To hold all the rest and residue of the said proceeds and avails for the use and benefit of such of the several persons holding and owning shares in the capital stock of the said Credit Mobilier of America on the day of the date hereof, in proportion to the number of shares which said stockholders now severally hold and own, and for the use and benefit of such of the several assignees and holders of such shares of stock at the times herein set forth, for the distribution of said residue and remainder of said avails and proceeds, who shall comply with the provisions, conditions, and limitations herein contained, which are on their part to be complied with.

Fifthly. To pay over, on or before the first Wednesday of June and December in each year, or within thirty days thereafter his just share and proportion of the residue and remainder of the said proceeds and avails as shall be justly estimated by the said trustees to have been made and earned as net profit on said contract during the preceding six months, to each shareholder only in said Credit Mobilier of America who, being a stockholder in the Union Pacific Railroad, shall have made and executed his power of attorney or proxy, irrevocable, to said several parties of the second part, their survivors and successors, empowering them, the said parties of the second part, to vote upon at least six-tenths of all the shares of stock owned by said shareholders of the Credit Mobilier of America in the capital stock of the Union Pacific Railroad Company on the day of the date hereof, and six-tenths of any stock in said Union Pacific Railroad Company he may have received as dividend, or otherwise, because or by virtue of having been a stockholder in said Credit Mobilier of America, or which may appertain to any shares in said Union Pacific Railroad Company which had been so assigned to him at the time or times of the distribution of the said profits as herein provided; and this trust is made and declared upon the express condition and limitation that it shall not inure in any manner or degree to the use or benefit of any stockholder of the Credit Mobilier of America who shall neglect or refuse to execute and deliver unto the said parties of the second part his proxy or power of attorney, in the manner and for the purpose hereinbefore provided, or who shall in any way, or by any proceeding, knowingly hinder, delay, or interfere with the execution or performance of the trust and conditions herein declared and set forth.

It will be seen by this that, in order to secure any of the proceeds of this contract, the stockholders of the Credit Mobilier who owned stock in the Union Pacific Railroad Company were compelled to give an irrevocable proxy to these seven trustees to vote in all cases six-tenths of their railroad stock.

The stockholders in the two corporations were substantially identical. These proxies were executed and delivered to these trustees; they represented a majority of the stock, and by this means the entire control of the railroad company passed out of the hands of the stockholders of the latter company and was reposed in these seven trustees, and for two years they exercised the power thus acquired.

The management of the affairs of the railroad company during the execution of the work under this contract (and the Davis contract hereafter to be treated of) was under the control of the beneficiaries thereof. These trustees, having acquired this power by means of these proxies, were manifestly not especially looking after, or proposing in the future to very carefully guard the interests of the Union Pacific Railroad Company.

If any one doubts that this railroad company's interests were to be disregarded and the interests of the contractors vigilantly cared for, that doubt must be speedily dispelled by reading the following agreement entered into by these trustees the next day after the Oakes Ames contract was assigned to them. It was as follows:

Memorandum of agreement made this 16th day of October, 1867, between Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, witnesseth as follows:

The undersigned, being the owners of shares and holders of certain proxies of the shareholders of the Union Pacific Railroad Company, and expecting hereafter to hold other shares and proxies for other shares therein, for the protection of our mutual interests and the interests of our constituents, do hereby mutually agree each with the other, at any and every election of directors of the Union Pacific Railroad Company, to vote upon the shares of stock then standing in our own names respectively, and upon such shares as we hold or may hereafter hold proxies therefor for such persons as directors of the said Union Pacific Railroad Company as may be nominated at or before each annual stockholders' meeting of said company, by a majority of the then existing board of directors, not appointed by the President of the United States, and no others. And on failure of such nomination for any reason by the said existing board of the Union Pacific Railroad Company, we then agree to vote for the re-election of the elected members of the then existing board. It is further agreed, that in case any one or more of the parties hereto fails or neglects to perform and stand to any of the agreements and covenants herein contained, that he shall not be entitled to or claim any benefit or right under or by virtue of any of the trusts or agreements contained in a certain memorandum of agreement heretofore made and concluded by and between Oakes Ames of North Easton, Massachusetts, party of the first part, the parties hereto parties of the second part, and the Credit Mobilier of America, a party of the third part, but the said shares and proportion of the said party so in default shall become the property of and be divided among the said several remaining parties, for whose benefit said trusts in said agreement are declared.

In witness whereof the said parties have hereunto subscribed their names, this day and year first above written.

OLIVER AMES.
JOHN B. ALLEY.
CORNELIUS S. BUSHNELL.
SIDNEY DILLON.
H. S. McCOMB.
THOMAS C. DURANT.
B. E. BATES.

Signed, sealed, and executed in presence of

CHARLES BELL.

Comment upon this is unnecessary. It is plain that the men who made this contract on the part of the Union Pacific Railroad Company,

through Oakes Ames with themselves, were determined to hold the control of the railroad company until their purposes were accomplished.

In addition to all this, your committee find that the wife of the engineer-in-chief, General Granville M. Dodge, who was appointed to succeed Mr. Dey, whose letter of resignation has been given, was the owner of one hundred shares of stock in the Credit Mobilier, which was issued in her name when the capital stock of that corporation was increased from $2,500,000 to $3,750,000. This stock was paid for originally by John Duff, and General Dodge was written to by Mr. Ham, secretary of the Credit Mobilier, to forward $10,000 to re-imburse Duff. Whether Dodge paid for this stock with money of his own, or whether it was paid for with moneys of his wife, is of little consequence. Whether it was the one way or the other, it placed him in a position where his pecuniary interests were adverse to the interests of the railroad company he was representing in this most vital capacity.

In making this contract the stock of the Union Pacific Railroad Company to be subscribed for by the contractors, in pursuance of the eleventh section, above quoted, was deemed worth not more than thirty cents to the dollar, and the price of the work was increased accordingly. If it had been treated as worth par in cash the price of the work would have been lower by the amount of at least 70 per cent. on the par value of so much of the stock as was to be subscribed for. The subscription was never paid in in money, but checks were taken for amounts due on construction, and these checks were passed back by the contractors to the railroad company in payment for stock.

The effect of this is stated by Mr. Oliver Ames in his testimony, as follows:

By Mr. HOAR:

Q. When these subscriptions were made by the Credit Mobilier trustees to the capital stock of the Union Pacific Railroad Company, what was the process? What happened at the time of the payment? Was there any absolute payment in cash on these subscriptions, or was it a mere payment in road-making?

A. It was a payment in road-making. We paid cash for building the road, and then we took stock from the company in payment of the expenditures.

Q. But you would not have considered that stock as equivalent to so much cash in payment for your expenditures?

A. No, sir; we would not.

Q. Therefore you do not consider the amount of expenditure in road-building which you paid in for the stock as equivalent for so much cash, did you?

A. No, sir; I would have been loth to have taken it.

Q. Then, so far as the subscriptions of the Credit Mobilier were concerned, there was no cash payment for subscriptions except so far as this might be considered equivalent?

A. We actually paid cash. The Union Pacific Railroad Company agreed to pay to contractors so much money; when the contractors came to us with their bills we, the Union Pacific Railroad Company, if we had not bonds to pay them, paid the balance in stock; we sold our bonds and paid in cash as far as it would go, or we paid them in bonds, which, by the contract, they were obliged to take; and the balance due on the contract we were obliged to pay in stock.

Q. My question is whether $100 in stock, so subscribed for and so paid, was deemed by either party of the transaction as equivalent to $100 in cash.

A. By the Union Pacific Railroad Company of course it was equivalent to $100, but the man who took it would have been very glad to sell it for thirty or forty dollars.

Q. As contractors you got cash, bonds of the company, and Government bonds for building the road?

A. Yes.

Q. You did not regard that, in paying you for building the road, $100 in stock was worth its face to you?

A. No, sir.

Q. You expected to get something else besides that $100 in stock as your $100 worth on your contract?

A. Yes. The stock was really not worth to the contractor who took it at par by any means, because it could be always bought in the market as low generally as from thirty to forty dollars.

Q. Then, if the $100 in stock was only worth about thirty or forty dollars to the contractor to whom it was paid, in proportioning what he rendered to the company between what was given as an equivalent for its stock and what was given as an equivalent for its Government bonds, and what was given as an equivalent for its own first-mortgage bonds, he did not render to the company $100 in value for every $100 in stock, did he?

A. No, sir.

Q. Was there any actual going through the ceremonial of paying in cash on those subscriptions to the treasurer of the Union Pacific Railroad Company?

A. Yes, there was always a check given.

Q. But the money never got into the treasury of the Union Pacific Railroad Company, I suppose?

A. The Union Pacific Railroad Company gave the trustees a check for the amount due, and the trustees turned over that check in payment to the Union Pacific Railroad Company for stock.

Q. There never was any interval between the payment of this check for stock and handing of it over again in payment of the contract?

A. Probably not.

Q. When you made, in behalf of the Union Pacific Railroad Company, the contract with Mr. Oakes Ames as contractor, you expected that the transaction which you have now described would be the substance of the transaction that would take place, did you not?

A. Substantially.

This contract extended over one hundred and thirty-eight miles of road completed and accepted. No work was done under it until after its assignment. That portion already completed had cost not to exceed $27,500 per mile, and by embracing this one hundred and thirty-eight miles in it, these trustees derived a "profit," if such a term is admissible in such a connection, which enabled them to make a dividend among the stockholders in less than sixty days after the assignment, namely, on the 12th of December, 1867, as follows: Sixty per cent. in first-mortgage bonds of the Union Pacific Railroad Company, $2,244,000; sixty per cent. in stock of the Union Pacific Railroad Company, $2,244,000.

This was mainly, if not entirely, derived from the excess of the contract price over what the one hundred and thirty-eight miles had cost.

The trustees proceeded to construct the road under this contract, and from a balance-sheet taken from the books it appears that the cost to the

Railroad company was	$57,140,102 74
And the cost to the contractors was	27,285,141 99
Profit	29,854,141 99

The nature of this profit, as in case of that on the Hoxie contract, will appear hereafter. The next step in construction was under what is known as the

DAVIS CONTRACT.

This was a contract made with J. W. Davis, a man of but little, if any, pecuniary ability, (and not expected to perform the contract,) for the construction of that part of the road beginning at the western terminus of the "Ames contract," and extending to the western terminus of the road, a distance of one hundred and twenty-five and twenty-three hundredths miles. It was upon the same terms as the Ames contract, and was assigned to the same board of trustees. Under it the residue of the road was constructed, and, from a balance-sheet taken from the books of the railroad company, it appears that it

Cost the railroad company	$23,431,768 10
And, from a balance-sheet taken from the books of the trustees, that it cost the contractors	15,629,633 62
Profit	7,802,084 48

Your committee present the following summary of cost of this road to the railroad company and to the contractors, as appears by the books:

Cost to railroad company.

Hoxie contract	$12,974,416 24
Ames contract	57,140,102 94
Davis contract	23,431,768 10
Total	93,546,287 28

Cost to contractors.

Hoxie contract	$7,806,183 23	
Ames contract	27,285,141 99	
Davis contract	15,629,633 62	
		50,720,958 94
		42,825,328 34
To this should be added amount paid Credit Mobilier on account of fifty-eight miles		1,104,000 00
Total profit on construction		43,925,328 34

The balance-sheets, from which the foregoing results have been obtained, were made out by Mr. Crane and Mr. Ham, accountants familiar with the books and with most of the transactions. Your committee have earnestly endeavored to get the exact cost of the road to the company and to the contractors; and if they have failed, it is because those who should know, and have had the opportunity to inform the committee, have failed to give the information. The books have been kept in such a way, and the transactions have been of such a character, as that their true nature has been very much disguised.

It is a matter of no little importance to know what the cash profits of this construction have been, and in this connection the following summary is presented on that subject.

The attention of Mr. Ham was called to the fact that the balance-sheets above alluded to showed an aggregate profit on the Ames and Davis contracts of $37,657,095.43, and he was asked the question how much of it was money, how much bonds, and how much stock. His answer gave the following exhibit:

$3,777,000 first-mortgage bonds, at 90	$3,399,300
$4,400,000 certificates for first-mortgage bonds, afterward converted into income-bonds, at	4,425,000
$5,841,000 income-bonds, at 60	3,486,600
$24,000,000 stock Union Pacific Railroad Company	24,000,000
$2,346,195 cash	2,346,195
Total	37,657,095

From this it will appear that in making up this profit all the securities are estimated at their cash value, except the stock, which is estimated at par.

This shows that the profits on these two contracts are—

Bonds, (cash value)	$11,310,900 00
Twenty-four million stock, at 30	7,200,000 00
Cash	2,346,000 00
	20,856,900 00
The profits on the Hoxie contract, as before stated, were	$6,272,232 71
Treating all of this as stock, except $1,125,000 of first-mortgage bonds, divided as hereinafter stated, the profits, cash values on this, would be as follows:	
$1,125,000 first-mortgage bonds, at 85	965,250 00
$5,147,232.71 stock, at 30	1,544,169 81
Total cash profit	23,366,319 81

In making this calculation the stock is placed at thirty cents, because that is the value the parties have placed on it.

If all the profits made have been divided, the dividend account should correspond with the amount of profit above stated. But it does not correspond, and whether the failure to correspond is attributable to inaccuracy as to the amount of profits or to disguises in making divisions, the House can judge in some degree from the facts hereinafter set forth.

The following are the dividends as appears in the evidence. First, by Credit Mobilier, results of Hoxie contract:

The Credit Mobilier on the —— day of January, 1867, increased its capital stock from $2,500,000 to $3,750,000, and for each $1,000 of additional stock taken, there was distributed to the subscriber a first-mortgage bond of the Union Pacific Railroad Company of $1,000. In this way there was divided $1,125,000 in first-mortgage bonds.

Then, on the —— day of ———, 1867, there was a dividend made of 12 per cent. (6 per cent. for each of the years 1866 and 1867) in stock of the Union Pacific Railroad Company, at 30 per cent. of its par value. This would amount to $1,500,000 stock par value.

These two amounts aggregate $2,750,000.

But the balance-sheet shows a profit to the Credit Mobilier—

On the Hoxie contract of	$5,168,232 91
Add amount received on fifty-eight miles	1,104,000 00
Total	6,272,232 91

This shows a discrepancy of $3,522,232.91. But that the above dividends are delusive, and are not all that was divided, is disclosed by the testimony of Mr. Ham, pages 277–383, to which attention is especially called.

Mr. Ham was asked what amount of profit was made by the Credit Mobilier on the Hoxie contract, and what they had received on the fifty-eight miles west of the one hundredth meridian.

A. The amount of profit they have received is $6,272,232.91.

After stating that of this amount $1,125,000 was divided in first-mortgage bonds, as above, in his further examination as to the disposition of this profit, (see pages 377–383,) it appears that the whole of the profit above stated was divided.

So it is apparent that much more has been distributed on account of this Hoxie contract among these stockholders than what the dividend statements would indicate.

2. The following are the dividends, as appears from the books, that were made out of the proceeds of the Ames contract:

First dividend December 12, 1867, of sixty per cent., in first-mortgage bonds	$2,244,000
Sixty per cent. in stock Union Pacific Railroad Company	2,244,000
Second dividend January 3, 1868, of twenty per cent., in first-mortgage bonds	748,000
Third dividend June 17, 1868, of forty per cent. stock Union Pacific Railroad	1,500,000
Sixty per cent. cash	2,250,000
Fourth dividend July 3, 1868, first-mortgage bonds	2,791,500
Fifth dividend July 8, 1868, in cash	1,095,168
Sixth dividend December 29, 1868, in stock	7,599,000
Total	20,471,668

Here, it will be observed, is another large discrepancy between the dividend account and the amount of profit made, as shown above. Whether this difference has escaped under the cover of some fog into the pockets of these managers, as was obviously the case under the Hoxie contract, or whether the books show too large a profit, your committee will leave the House to judge.

The Ames and Davis contracts having been essentially the same, the accounts were so kept that it was difficult to separate them and know exactly the profit on either—this is the testimony of Mr. Ham and Mr. Crane—and a part of the profit charged to this Ames contract may have been divided under the Davis contract, as it will hereafter be seen that under that contract a division was made of largely more than the profit par value of the stock divided.

NEXT, THE DIVISIONS UNDER THE DAVIS CONTRACT.

The mode of making divisions under this contract was this:

On the —— day of ——, 1869, the trustees sold to the stockholders of the Union Pacific Railroad Company—		
2,750 first-mortgage bonds for	$275,000	
2,750 land-grant bonds for	275,000	
Total	550,000	
They distributed to the persons to whom these bonds were sold in stock two and one-half times the amount of bonds purchased, namely, stock Union Pacific Railroad Company		$1,375,000 00
2. The trustees sold stockholders 3,901 income-bonds, at 80 cents to the dollar, amounting to $——, and divided stock Union Pacific Railroad Company		7,802,000 00
3. The trustees sold stockholders 1,909 income-bonds, at 80 cents to the dollar, and divided stock Union Pacific Railroad Company		3,818,000 00
Total stock		12,995,000 00

This is a division largely in excess of the profit on this Davis contract in stock, par value, as shown above; but, as before indicated, this excess may have been carried from the Ames into the Davis contract.

This excess of profit over the dividends appearing on the books, in all probability was disposed of in some such way as was used in the disposition of the Hoxie profits.

Mr. Ham having given the amount of bonds, stock, and money embraced in this $37,657,095.43 profit on these two contracts from the books, is very strong if not conclusive evidence that the statement of profit is correct, and consequently that the books do not show all that

was divided, or that there is yet in the hands of the trustees undivided profits.

In this connection the committee calls attention to the following facts:

First-mortgage bonds issued	$27,213,000 00	
Sold at a discount of	3,494,991 23	
Net proceeds		23,718,008 77
Government bonds issued	$27,236,512 00	
Sold at discount of	91,348 72	
		27,145,163 38
Aggregate net proceeds of both classes	$50,863,172 05	
Cost of whole road to the contractors	50,720,958 94	
		142,213 11

And attention is also called to the time of the receipt of Government bonds, as shown by schedule thereof set forth in the evidence.

It appears, then, speaking in round numbers, that the cost of the road was $50,000,000, which cost was wholly re-imbursed from the proceeds of the Government bonds and first-mortgage bonds; and that from the stock, the income-bonds, and land-grant bonds, the builders received in cash value at least $23,000,000 as profit, being a percentage of about forty-eight per cent. on the entire cost.

The committee have examined, as will be seen from the evidence, the parties who have been participating in these transactions as to the amount of profits. Their testimony on the subject has been widely variant.

The committee deem it proper here to direct attention specifically and separately to the following transactions in disbursement of portions of the assets of this road, which seem to the committee to have been wrongful, and to demand the immediate and grave consideration of the present directors of the Union Pacific Railroad Company and of whatever authority may be charged with the duty of securing the recovery of the property of the company from those who are responsible for or the recipients of these illegal disbursements:

1. One hundred and twenty-six thousand dollars were paid to C. S. Bushnell on the 9th day of March, 1871, and denominated "special legal expenses," which was disposed of as follows:

First. To G. M. Dodge for services in procuring the passage of the act of March 3, 1871, in relation to transportation by said company for the Government	$24,500
Second. Amount paid by C. S. Bushnell to Thomas A. Scott on private account	19,000
Third. Amount retained by C. S. Bushnell on his own account	82,500
	126,000

2. Fifty thousand dollars were paid to Governor John A. Dix as a purchase by the railroad company of its own stock.

3. Twenty-five thousand dollars were paid to a Government commissioner to secure the acceptance of a portion of the road as completed.

4. Four hundred and thirty-five thousand seven hundred and fifty-four dollars and twenty-one cents, designated as "suspense account," were allowed to T. C. Durant, vice-president of the company, which appear from the evidence to have been disbursed in connection with the passage of the amendatory act of July, 1864, of the particulars of which disbursement the committee have been unable to obtain satisfactory account. For disbursement of such money, so far as ascertained, the committee refer to the evidence herewith reported, as they do also as to the disposition of the other moneys above named.

Justice to the parties interested requires that the grounds on which they rely for their defense or extenuation should be understood by Congress and the country in their full force. The contractors, or some of them, justify these transactions on the following grounds:

1. That nearly every railroad which has been built in the United States for the past twenty years, although its charter may have required the payment of its capital in cash, has in fact been constructed under an arrangement by which the capital stock was in large part paid in road-building.

2. That it would have been impossible to build the road under the acts of Congress, if the condition requiring the capital to be paid in money had been strictly enforced.

3. That the act required the books to be kept open for subscriptions until the completion of the road, or until one hundred millions of capital stock were subscribed. If at any time before the completion of the road the stock was in actual value above par, it would be in the power of any person by subscribing and paying for new stock at par to avail himself of the value which the stock had derived wholly at the risk and through the labors of former subscribers, and that this provision rendered a compliance with the act impossible.

4. That all the stockholders of the railroad company consenting and being parties, these transactions though in form a contract were in substance a dividend which they had a perfect right to make, and with which no outside party can justly find fault.

5. That the railroad company acquired by the transaction something more than the mere construction of a road for cash; that the arrangement called into their service the vast personal credit of Oakes Ames and others, without which it could never have been built, and which could not have been called into the service of the road at less expense.

6. That if the road had been built by contractors in the ordinary way, either under one contractor or cut up into numerous subdivisions, then a profit of 16 to 20 per cent. would not have been unreasonable or improper, and that no more profit has in fact been made here.

7. That the managers of the road believed they were complying with the requirements of the law in substance.

8. That they were advised by eminent counsel that they were so complying.

9. That the country has in fact received not only the vast public benefits resulting from the early completion of the road, but the pecuniary saving to the United States in postal and military transportation and the maintenance of troops is so great that they are entitled to gratitude and not censure for having departed from the letter of the law, which rendered the construction of the road impossible.

10. That it may be partly true that the capital stock ought not to be divided, and that the bounty of the Government or the moneys borrowed ought to have been kept in the Treasury; but that if they had dealt with a stranger, they could have got no better terms than they in

fact got for building the road. And if they added to the credit of the road their own personal credit, it was not unreasonable that they should make a dividend of so much as they would have had to pay to a stranger as profit.

These arguments the committee have carefully weighed. Some of them are not without force.

We will consider them in their order. It is perhaps true that the clause in railroad charters requiring payment of the capital in money, has been of late years constantly disregarded or evaded. But these conditions are commonly inserted in charters granted by State authority as a protection to the public against the contracting of debts by organizations without either corporate funds or the power to pledge the personal liability of their members. The fund, as is said by Judge Story, is a substitute for personal responsibility. Where the purpose of the charter—namely, the construction of the railroad—has been accomplished, and the road acquired by the company by exchanging its stock for construction, and no person is misled, the public benefited by the enterprise has been disposed to deal leniently with the violation of law. But in this case the Government gave to this corporation its franchise, its right of way, including substantially its entire road-bed, a vast area of public domain, its credit to the amount of over twenty-seven million dollars, and enabled it to obtain a like amount by mortgaging the property the Government gave it. The Government never consented to trust its property to men who had not put their own money into the enterprise. It never consented to take security for its re-imbursement at the end of thirty years, solely on the property it had advanced. It never expected to rely for the performance of these great public duties upon a company whose debts equalled its whole property. The law-making power, if its mandates are to be obeyed or respected hereafter, cannot accept as an excuse for disobedience to its express directions, by the corporation it has created, that the members of that corporation have decided that those directions were unreasonable and unnecessary.

In this case the provision of the charter requiring the stock to be paid for in money, has been grossly violated; because, as is apparent, nearly the whole of the stock that has been issued represents no value to the railroad company; or, to state it differently, was issued without any consideration whatsoever.

2 and 3. If it was impossible to build the road according to the act of Congress, they had no right to build it. They could easily have represented their difficulty to Congress, which has dealt generously with them from the beginning.

4. It may be that all the existing stockholders shared these profits, so that what was in form a contract was in substance a dividend. But nothing is better settled than that a railroad corporation has no right, either as against creditors or a minority of its stockholders, to distribute any part of its capital as dividends, and that a court of equity will interfere to prevent it. There can be still less justification for using the proceeds of moneys borrowed either of the Government or on the first mortgage for the purpose of a dividend.

5. The claim that these gentlemen had aided the enterprise with their own personal credit at first seemed a forcible one, but it disappears when carefully examined.

Let us see exactly what risk was assumed at the beginning of the execution of the Oakes Ames contract. If the contract on the whole appeared at any time during the progress of the work likely to be unprofit-

able, the clause giving the trustees an irrevocable proxy to vote on six-tenths of every man's stock enabled them to obtain the consent of both the nominal parties to its abandonment.

They were to have their bonds of both classes for each twenty miles when that twenty miles was completed, and, on the certificate of the chief engineer and commissioners, a proportionate share for uncompleted work. They were entitled by their contract to about $3,000,000 profits on the portion of the road which had been completed under a previous contract, but was included at a higher price in theirs. All they put at risk, therefore, was what they had to advance to build each twenty miles of the road, and this risk only lasted until that sum was re-imbursed on the completion of such section of twenty miles. This, at the rate fixed for the first hundred miles under the Oakes Ames contract, would amount to $840,000 for twenty miles, supposing there were no profits, and at the rate for the last hundred miles, to $1,920,000. But they divided among themselves on the 12th of December, 1867, less than two months after they got the contract, as before shown, a large amount in first-mortgage bonds and a like amount, in stock par value, and from time to time made the other dividends hereinbefore set forth. Thus it appears that they divided, December 12, 1867, among themselves as profits at that date, a larger sum than they ever put at risk in the whole transaction.

6. This claim that no unreasonable profit has been made is not supported by the testimony. The risk, as has been shown, was wholly that of the Government.

7 and 8. The gentlemen making these excuses, though invited, have failed to furnish the committee with any evidence that such a legal opinion was given them.

9. It is true that the construction of the Pacific Railroad has saved large expenditure, both in postal and military transportation and the maintenance of troops, and has been of great public advantage. But it has been built chiefly with the resources of the Government.

10. The answer to this is to be found in figures disclosed in this report.

It is also said that it is unjust to look at this question in the light of the present; that we should go back to the condition of things before the road was built, when the whole scheme seemed, to the prudent capitalists of the country, visionary and perilous. This is true; and if these gentlemen assumed great risks from which others shrank, and thereby great benefits inured to the public, they should have all due credit. But we think they differed from other capitalists, not in taking a risk, but in having discovered that the road could be built at vast profit without risk, the resources furnished by the Government being more than ample for the purpose.

The committee do not conceive it to be their duty to express or to form an opinion as to the degree of moral blame that attaches to the persons engaged in these transactions, except so far as that may rightfully affect the exercise of the discretion of Congress in dealing with their franchises. Congress cannot accept the general intentions of persons combined as an excuse for a deliberate violation of its laws, if it expects them to be obeyed or respected hereafter. But we do not like to close our narrative of this case, and pronounce judgment upon these illegal transactions, without observing that there are many persons connected with the Credit Mobilier who held their stock openly and without concealment from the beginning, and who seem to have had no share in its management, and no knowledge of the wrongful use of its

stock or of the funds of the railroad. Some of these persons are persons of eminent character, holding high public positions. It is difficult to believe that they had any consciousness that they were doing wrong, or saw the whole proceeding in the light in which the committee now state it. Mr. J. M. S. Williams's statement probably correctly represents the exact feeling of this class of persons: "they thought they were only dealing with their own property; they did not think they had anything to do with the Government."

The result of these proceedings was this:

1. While the charter of the Credit Mobilier required its affairs to be managed by a board of directors and its principal business office to be in Philadelphia, the actual conduct of its affairs was wholly by the men acting as a board of trustees and in the city of New York, so that this unlawful arrangement attempted to disguise, and did in effect disguise, these persons by means of a fictitious and pretended and not a real use of the corporate powers of the Credit Mobilier.

2. While the charter of the Union Pacific Railroad Company required its corporate powers to be wielded by a board of fifteen directors, ten of whom should be *bona-fide* holders of stock and should be elected by stockholders representing capital which had been actually paid in full and in money, this contrivance virtually placed all the power and control of said railroad corporation, its property and franchises, in the hands of the same persons, and beyond the management provided by law, thereby disguising and intending to disguise an unlawful seizure of the powers of the company, an unlawful use of its name in the issue of stock, bonds, and scrip, and an unlawful distribution of its property among the parties.

3. While the United States subordinated its own lien to secure reimbursement of the loan of its bonds to a mortgage to secure the bonds of the company for a like amount for the purpose of constructing the road, moneys have been in fact borrowed under the privilege so conferred and distributed as dividends.

4. The statute requiring the capital stock to be paid for in money at par, it has in fact been paid at not exceeding thirty cents on the dollar in road-building, excepting, perhaps, the sum of about $400,000.

5. Instead of securing a solvent, powerful, well-endowed company, able to perform its important public functions without interruption in times of commercial disaster and in times of war, and able to maintain its impartiality and neutrality in dealing with all connecting lines, it is now weak and poor, kept from bankruptcy only by the voluntary aid of a few capitalists who are interested to maintain it, and liable to fall into the control of shrewd and adroit managers, and to become an appendage to some one of the railroad-lines of the East.

In 1871 it fell under the control of the active managing men of the Pennsylvania Central Railroad Company; and its present control and the manner in which it was procured are sufficiently shown by the following testimony of Hon. Horace F. Clark, the present president. After stating that he had purchased twenty-five or thirty thousand shares of the stock, and with some friends forty thousand shares in all, (which he purchased at thirty cents,) and had made a call or contract for twenty-four or twenty-five thousand additional shares, his testimony proceeds as follows:

Q. What object did you have in view in making this purchase of stock and in becoming president of the Union Pacific Railroad Company?

A. I am connected with a line of railroad leading from the Missouri River, through Chicago, Cleveland, and Buffalo, to Albany and Boston. I was president of the

Lake Shore and Michigan Southern Railway Company, which fills up the gap from Chicago to Buffalo. I was a director in the New York Central and Hudson River Railroad Company, which fills up the gap between Buffalo and New York. Mr. Scott had previously been the president of the Union Pacific Railroad Company. He represented the Pennsylvania Railroad, which is an opposition line to the lines with which I am connected. From Chicago they reach the sea-coast by Philadelphia, by the Fort Wayne road. My object in interesting myself in the Union Pacific Railroad Company was to share in the traffic arrangements. We might get none of the traffic of the Union Pacific Railroad Company by the way of our lines if the control of that road was in the hands of a competing line. That was the inducement. My inducement to make the call was that (never taking any compensation in the way of salary) I wanted the advantage which would result from a participation in the traffic of this railroad. Boston is reached by rail through our lines; it is not reached by continuous rail through any other lines. It seemed to me as if tea and silks, and various articles of merchandise, could be carried to Boston, which is a great point of consumption, and a great point of export by rail, if the rail-line to the sea-board was open. My object in making the call was that I might share in the prosperity of the road, which would result from the opening of this rail-line; and I made the call. Whether the parties who sold me the call had the stock or not, was a point which I did not inquire about. They were responsible parties, and if they did not have the stock they were bound to buy it in the market. My object in having anything to do with the line was in connection with railroad traffic. I knew nothing about the Credit Mobilier. I had heard that there had been a construction ring in that road, but what had been the effect of it I did not know. My object in taking the call was to get the advantage, which some thought might result from the increase in the value of the stock, from the change of administration.

Q. Was it your purpose in making that purchase of stock, or was there an arrangement when the stock was purchased, that you should become president of that road?

A. There was.

Q. By whom was that arrangement made?

A. I think the negotiations for that arrangement were made between Mr. Morton and Mr. Banker.

Q. Who were the parties behind them?

A. I do not know them all. I think that among these parties were some of the Boston parties. Mr. Morton only became responsible under the call to a limited amount. The Messrs. Ames joined in the call, but in what sums I do not remember. The total amount was twenty-four or twenty-five thousand shares, at 30.

Q. The arrangement which was made for that purchase of stock resulted in your coming into the presidency of the road?

A. Yes; because then I said to the stockholders that I would take their proxies, and the stockholders sent their proxies to me. I had not, with my friends, stock enough myself to control the election, or anything like it.

Q. Do you know whether, the year preceding, Mr. Scott became president of the road under a similar arrangement?

A. I know nothing about it. I have heard statements about it, but I have no knowledge on the subject.

The division of the substance of the corporation has so weakened it as to make its control by capitalists and powerful railroad corporations in the manner above described, easy. It is now helpless and dependent.

6. The right of the Government to regulate fares when the road pays 10 per cent. on its cost is rendered nugatory or difficult of exercise by recording a fictitious and not an actual statement of the cost of the road.

Before proceeding to discuss the question of remedy, your committee take occasion to say that, in making this investigation, they have labored under great disadvantages. The books containing the records of these transactions are voluminous and complicated. The estimates of engineers made before the letting of the various contracts cannot be found. The presence, as a witness, of General Granville M. Dodge, the chief engineer, under whose supervision the principal part of the work was done, could not be procured, although diligent efforts were made to that end. Telegrams were sent to him, inviting his attendance as a witness, and a deputy sergeant-at-arms was sent for him, who has diligently sought him for weeks, but has been unable to find him. Your

committee have information from which they feel warranted in stating that they believe that he has been purposely avoiding the service of the summons.

Mr. John J. Cisco, who was treasurer of the Union Pacific Railroad, Company, was unable to attend by reason of illness.

Governor John A. Dix, who was president, could not be present by reason of his executive duties as governor of the State of New York.

Having had these difficulties to encounter, your committee do not present the foregoing figures in relation to the money value of profits and in relation to dividends as being exact.

Many of the incidents to these transactions have not been investigated as thoroughly as was desired, for want of time.

This report does not embrace all the matters committed to the committee, and the report is only in part. The present report is made because of the desire of the committee to submit it to the consideration of the House without that delay which would be unavoidable if the report should be attempted to be made complete before any part of the matters submitted to the committee are presented to the House. It is the purpose of the committee to proceed at once to consider and report upon the residue of the matters referred.

The committee have given much consideration to the question of remedy. To discuss it fully would extend this report, already too long, to an undue length. We will briefly state our conclusions. It is proper further to state that nothing has been disclosed in the evidence indicating any misappropriations of the moneys of the company by the present management.

We think the facts we have stated would furnish ground for judgment of forfeiture of all the franchises of the corporation, including the principal franchise, to be a corporation on proper process. According to the American decisions, judgment of forfeiture on *quo warranto* is not followed by an absolute forfeiture to the Government of all the property of a corporation, as was the earlier English practice; but a court of equity in such case has jurisdiction to divide the assets among the creditors or stockholders. We have no doubt also of the right of Congress to repeal the charter, which is expressly reserved in the act of 1862, and that on such repeal equity would distribute the assets in like manner. But the objection to either proceeding is twofold: first, it would be harsh and unjust to forfeit the rights of the present stockholders, a large majority of whom have bought their stock in good faith in the market, for the wrong-doing of their predecessors; second, in either case above supposed, equity could only distribute the assets as in case of bankruptcy or death; neither court nor Congress could compel the present owners to embark their property in continuing the exercise of the same franchise under a new organization. The railroad must then stop or be operated by the Government, or be sold at a forced sale in the market. To either of these proceedings there are grave public objections. The committee have then sought for a remedy which would compel the recovery of the property of the road from those persons who have received it wrongfully, and its application in future to the purposes of the road and the payment of its debts, including that due the United States. The question of the right to such recovery is of course purely judicial. We cannot by act of Congress impose upon any man a legal or equitable obligation to pay money into the treasury of the company. But we have the right to make provision for as simple, speedy, and ample a remedy as possible.

Can this remedy be by suit, in the name of the United States? The United States sustains several relations to this corporation. First, it is the sovereign which created the corporation. It may proceed by *quo warranto* at common law for forfeiture of the franchise. The objections to this proceeding have been stated. The sovereign in England has a visitorial power over certain public corporations, which is exercised through the chancellor. But it has been held that this is a power which the chancellor exercises as the king's servant or representative, and is not a part of the powers of a court of equity as such, and does not reside in the national courts of the United States. It is doubtful whether the equity power to regulate charities, though it has been extended over certain trusts created for the public interests which are not included within the popular, and perhaps not within the technical, definition of a charity, would extend over a corporation which, though created for a public purpose, conducts its business for private gain. The United States also sustains the relation to this corporation of creditor. But as an ordinary creditor it cannot go into equity for relief against the equitable assets of its debtor until it has first obtained judgment at common law. Whether any present debt exists, due and payable to the United States from this corporation, is a matter of grave debate, which is already before another committee of this House.

But we think the corporation and the United States sustain the relation of trustee and *cestui que trust*. The United States have placed in the hands of the corporation large properties to be managed for a public purpose, for which management the corporators are to be compensated by the gains lawfully made in the employment. After the completion of the road, 5 per cent. of the net earnings of the business are to be applied to the payment of the debt of the United States. Bonds of the United States, payable in thirty years from their date, are issued to the company, and on the refusal or failure of the company to redeem said bonds, or any part of them, when required so to do by the Secretary of the Treasury, in accordance with the provisions of this act, the said road, with all the rights, functions, immunities, and appurtenances thereto belonging, and also all lands granted to the said company by the United States which at the time of said default shall remain in the ownership of the said company, may be taken possession of by the Secretary of the Treasury for the use and benefit of the United States. (Statute 1862, section five.) The statute of 1864, section ten, "subordinates the lien of the United States to that of the bonds of the companies authorized by that act to be issued." This is not a mere mortgage or lien on existing and ascertained property. It is a right to have a fund intrusted to the corporation for management applied at a future day to the benefit of the United States, and to have in the mean time a share of the profits of such management also so applied. A trust is an obligation on the part of the legal owner of property to manage and apply it for the benefit of another.

If the United States had reserved, as it lawfully might, the right to 5 per cent. of the net earnings and to enter upon the whole property at the end of thirty years for its own absolute benefit, it would have presented a state of facts which would serve for a clear and simple illustration of a trust. It can be no less a trust that the benefit the United States are to receive is limited to the payment of a debt. Its security for the payment of the debt is the equitable property reserved to it by the act which creates the corporation, endows it, and defined the terms on which the endowment shall be held.

Both the grant of the land and the issue of bonds to this company were made for the purpose and on the trust expressly declared in the

grant in these words, "for the purpose of aiding in the construction of said railroad and telegraph line, and to secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores thereon," and "to promote the public interest and welfare by the construction of said railroad and telegraph line and keeping the same in working order, and to secure to the Government at all times (but particularly in time of war) the use and benefits of the same for postal, military, and other purposes."

The committee do not doubt that the proceeds of these lands and bonds, as well as of the first-mortgage bonds which the Government has provided to secure by a lien prior to its own, are held as an express trust by this company, and applicable alone to said declared purposes of the acts. Any distribution of the proceeds of either of these funds as profits or dividends to stockholders is illegal, as violative of the declared purposes of the trust.

We have, then, the case of a corporation which is a trustee, in the management of persons who have divided the trust funds among themselves, who have promised to pay for its capital stock in cash, which promises they have not kept, and on which they are still liable, and which the corporation neglects to enforce, and who have made contracts with themselves in reference to the trust fund, the profits on which contracts they ought in equity account for to the trust fund upon the most simple principles of equity. A suit can be maintained by any *cestui que trust* to compel the collection of these assets, and that the trustee shall hold them hereafter as part of the trust property. It will be no answer to this statement to say that the ultimate security of the United States has not been impaired. This is far from being true in fact. If it were true, the United States have a right to have the security which they stipulated for, even if it be more than is necessary.

If we are wrong in this opinion, there is no remedy except by resorting to the extreme power of repealing the act. Those questions are judicial questions, as we have said. We propose a simple method of raising and determining them in one suit, and of securing so far as we can the administration of the fund according to law in the future.

The committee, then, find that there are persons connected with the Credit Mobilier holding such bonds as are contemplated by the order of the House.

They are not holders of the same in good faith and for value, but did procure the same illegally.

We do not recommend that the United States refuse to pay these bonds or their interest without a judicial ascertainment of the facts.

We think that so many persons hold the first-mortgage bonds of the Union Pacific Railroad in good faith and for value that the said mortgage ought not to be set aside.

We report the facts as to the character of the organization known as the Credit Mobilier.

We refer for facts as to the members of Congress and officers of the Government connected therewith to the evidence taken before the committee of which Mr. Poland, of Vermont, is chairman, and to that herewith submitted; and

We respectfully report the accompanying bill, and recommend its passage.

J. M. WILSON.
SAML. SHELLABARGER.
GEO. F. HOAR.
H. W. SLOCUM.

AN ACT to amend an act entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes," and to secure the interests of the United States and of the people in the Union Pacific Railroad.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney-General shall cause a suit in equity to be instituted in the name of the United States against the Union Pacific Railroad Company, and against all persons who may in their own names or through any agents have subscribed for or received capital stock in said road, which stock has not been paid for in full in money, or who may have received as dividends or otherwise portions of the capital stock of said road or the proceeds or avails thereof, or other property of said road, unlawfully and contrary to equity, or who may have received as profits or proceeds of contracts for construction or equipment of said road or other contracts therewith, moneys or other property which ought in equity to belong to said railroad corporation, or who may, under pretense of having complied with the acts to which this is an addition, have wrongfully and unlawfully received from the United States bonds, moneys, or lands, which ought in equity to be accounted for and paid to said railroad company or to the United States, and to compel payment for said stock, and the collection and payment of such moneys and the restoration of such property or its value either to said railroad corporation or to the United States, whichever shall in equity be held entitled thereto.

SEC. 2. That said suit may be brought in the circuit court in any circuit, and all said parties may be made defendants in one suit. Decrees may be entered and enforced against any one or more parties defendant without awaiting the final determination of the cause against other parties. The court where said cause is pending may make such orders and decrees and issue such process as it shall deem necessary to bring in new parties or the representatives of parties deceased, or to carry into effect the purposes of this act. On filing the bill, writs of capias and attachment may be issued by said court against any parties defendant, which writs shall run into any district, and shall be served as other like process by the marshal of such district, on which property, real and personal, may be attached to abide the event of the suit as like property may by law be attached on writs issuing from the circuit court in such district.

SEC. 3. That the books, records, correspondence, and all other documents of the Union Pacific Railroad Company shall at all times be open to inspection by the Secretary of the Treasury, or such persons as he may delegate for that purpose.

SEC. 4. That the laws of the United States providing for proceedings in bankruptcy shall not be held to apply to said corporation.

SEC. 5. That no dividend shall hereafter be made by said company but from the actual net earnings thereof, and no new stock shall be issued, or mortgages or pledges made on the property or future earnings of the company without leave of Congress, except for the purpose of funding and securing debts now existing, or the renewals thereof.

SEC. 6. That no director or officer of said road shall hereafter be interested, directly or indirectly, in any contract therewith, except for his lawful compensation as such officer.

SEC. 7. That any director or officer who shall pay, or declare, or aid in paying or declaring, any dividend, or creating any mortgage or pledge prohibited by this act, or who shall offend against the provisions of the sixth section thereof, shall be punished by imprisonment not exceeding two years, and by fine not exceeding $5,000.

MINORITY REPORT.

I concur in the facts and figures presented in this report, so far as the same could be ascertained through the testimony of those who have been connected with the Union Pacific and Credit Mobilier Companies, and the legal remedies recommended by the committee; but I object to the adoption of the report as incomplete, under the resolution referred to this committee January 6, 1873, until some recommendation is embodied in the same in reference to certain members of Congress who have had transactions with Hon. Oakes Ames, as will be found detailed in the report of Hon. Luke P. Poland, as chairman, &c., believing that the same should be promptly considered and disposed of without further loss of time.

THOS. SWANN.

CREDIT MOBILIER AND UNION PACIFIC RAILROAD.

WASHINGTON, D. C., *January* 10, 1873.

The committee met at 10 a. m. Present: JEREMIAH M. WILSON, of Indiana, chairman; GEORGE F. HOAR, of Massachusetts; THOMAS SWANN, of Maryland; HENRY W. SLOCUM, of New York.

On motion, it was ordered that the chairman be authorized to conduct the examination of witnesses.

Ordered, that this committee will regard the action of the House directing the committee of which Hon. Mr. Poland is chairman to sit with open doors, as an instruction to this committee in this investigation.

Ordered, that the chairman be requested to confer with counsel appointed or to be appointed under resolution of the House of January 6, to ascertain whether aid can be rendered by them to the committee in this investigation.

JOHN B. ALLEY sworn, and examined as follows:

By the CHAIRMAN:

Question. Do you know of the existence of an organization or association, or corporation, by the name of the Credit Mobilier of America?—Answer. I do.

Q. Are you now, or have you at any time been, in any way connected with it? If so, when did your connection with it begin, and in what capacity were you connected with it?—A. I commenced as a stockholder in August, 1865. In May, 1867, I was elected a director. I continued a director, I think, till May, 1869 or 1870; probably May, 1870.

Q. Are you connected with it in any way now?—A. I am simply a stockholder now.

Q. Are you an officer of that organization at this time?—A. I am not.

Q. Have you been connected with it in any other way than you have stated at any time; if so, when?—A. Only as a stockholder and director.

Q. Is this a corporation, or what is the character of the organization?—A. It is a corporation existing in the State of Pennsylvania.

Q. Upon what authority is this corporation organized? Give a history of its organization; the date of its organization; and if it ever had any other name, state what it was.—A. This organization was formed under a charter originally from the State of Pennsylvania, in 1859, which was called the Fiscal Agency of the State of Pennsylvania. That is my impression of its original title. After two or three years, it having done nothing, I believe, under the old organization, it was procured by the owners and managers of the Union Pacific Railroad Company, who in-

tended it to be a contracting company for the building of the Pacific Railroad, as I understood. Then its name was changed from the Pennsylvania Fiscal Agency to that of the Credit Mobilier of America. I do not remember exactly at what time; probably in 1863.

Q. Who were the officers of the Union Pacific Railroad Company, who procured that charter or transfer?—A. I think the manager was the then vice-president of the Union Pacific Railroad Company, Thomas C. Durant, of New York; John A. Dix was president at that time.

Q. Were there any other officers of the Union Pacific Railroad Company connected with that transaction at that time?—A. I could not say about that; I suppose that Mr. Durant was the man who procured that charter, and, as I understood it, it was procured for the purpose of building this road.

Q. Are there any books or papers showing the character of that transaction and the persons connected with it in existence; and, if so, where may they be found?—A. There are, I suppose; Oliver W. Barnes was the secretary of the Credit Mobilier; he was a resident of Philadelphia then.

Q. Are these books or papers a part of the books and papers of the Credit Mobilier, and are they now in the custody of the officers of that corporation?—A. I presume they are; I said Mr. Barnes was secretary: I think, perhaps, he was the treasurer; he was, as I understood, in those early times of the organization of this company the principal man that I knew anything about.

Q. Can you now give the names of the persons who were parties to the original organization of this Credit Mobilier?—A. Thomas C. Durant was president; Henry C. Crane, of New York, was assistant treasurer, and I think Oliver W. Barnes was the treasurer. Who the secretary was I do not know, and who the other parties at that time in control were I do not remember, if I ever knew.

Q. Was this association organized upon articles of association signed by the persons engaged in this enterprise, and were their stock-books opened?—A. Yes; it was a regular corporation and had very good powers as a corporation; it was procured by these parties as an agency to build the Pacific Railroad. They regarded it as utterly impossible to build the road under the bill which was given them by Congress, except through the intervention of a contracting company or a corporation like this; they took this corporation for that purpose, as I understood, merely as a contracting company.

Q. Where has the business office of the Credit Mobilier been kept since its organization?—A. They had what is called a New York agency, or bureau, which did the business principally, although it was a Pennsylvania corporation. They had a right, under authority which was given them by the Pennsylvania legislature, to establish an agency or bureau, as they called it, in New York, which they did, and their business was transacted chiefly there.

Q. Have you with you any printed or written copies of any papers to which reference has been made in your testimony?—A. No, sir; I have not.

Q. Was the office or business place of this company ever transferred or removed to the city of Boston?—A. No, sir.

Q. Where was this office in the city of New York?—A. Most of the time, I believe, it was 20 Nassau street.

Q. Where was the office of the Union Pacific Railroad Company?—A. That was in the same building—the same block.

Q. Were these two offices kept in the same room?—A. I think not.

Q. Who are the officers of the Credit Mobilier now?—A. Sidney Dillon is president; Benjamin F. Ham is secretary and treasurer; and Dillon, Ham, and Roland G. Hazard, I believe, are directors; I do not know who the other directors are. They have been changed since I have been there.

Q. Where is the office of this company now?—A. The New York agency is still kept up, and the business chiefly transacted there.

Q. Has it no other office or place of business except New York?—A. It has; in Philadelphia, at 524 Walnut street, I think. I may be mistaken as to the number. The New York office is now at 52 Wall street.

Q. Where does Mr. Ham reside?—A. He resides in New Jersey, some twelve or fifteen miles from New York. I think in Elizabeth, or not far from there.

Q. Who is the custodian of the books and papers of the Credit Mobilier at present?—A. Mr. Ham, I believe.

Q. Where are these books; at the Philadelphia or New York office?—A. I believe a part of them are in Philadelphia, and part in New York.

Q. How long has Mr. Ham held that office?—A. I think since May 19, 1869.

Q. Who preceded him as secretary?—A. I think Mr. Crane did.

Q. Has there ever been any other secretary except Mr. Crane and Mr. Ham?—A. I do not think there has since I have had any knowledge of it.

Q. Are there books or papers showing the amount of the capital stock, the names of the stockholders, the amount of stock held by each, the money paid in on stock, the contracts and the money expended, and the dividends declared and paid?—A. Yes, sir.

Q. Are you now in any way connected with the Union Pacific Railroad Company; and, if so, in what way?—A. I am not; and have no interest in it of any consequence.

Q. Are you a stockholder?—A. I have a very few shares.

Q. State the names of the officers and directors of that company.—A. Horace F. Clark, president; John Duff, vice-president; E. H. Rollins, treasurer and secretary; H. B. Wilbur, auditor. Directors: Horace F. Clark, New York; Augustus Schell, New York; James H. Banker, New York; Oliver Ames, Boston; John Duff, Boston; Elisha Atkins, Boston; Oakes Ames, Boston; L. P. Morton, New York; R. E. Robbins, Boston; James Brooks, New York; G. M. Dodge, Council Bluffs, Iowa; Sidney Dillon, New York; C. S. Bushnell, New Haven; Geo. M. Pullman, Chicago; F. Gordon Dexter, Boston. Government Directors: B. F. Wade, Jefferson, Ohio; Hiram Price, Davenport, Iowa; James F. Wilson, Fairfield, Iowa; J. C. S. Harrison, Indianapolis, Indiana; David S. Ruddock, New London, Connecticut.

Q. Where is the business office of the Union Pacific Railroad Company now?—A. In Boston.

Q. Who is the custodian of the books of that corporation?—A. The treasurer, Mr. Rollins, I suppose. The books are at the office of the company, in Sears' building, Boston.

By Mr. HOAR:

Q. At the time of the contract made with the Credit Mobilier Company for the construction of a part of the Union Pacific Railroad, how much of the capital stock of the Union Pacific Railroad Company had been subscribed and actually paid in, according to the best of your recollection?—A. Not a great deal had then been paid in; perhaps two or three hundred thousand dollars.

Q. When that contract was made, who were the principal men of interest in, and controlling, the Union Pacific Railroad?—A. The principal stockholders at that time I could not now give. Mr. Durant and General Dix were among them. Not more than two or three hundred thousand dollars had been paid in, and that was a percentage on the shares taken. The first contract for the construction of the Union Pacific Railroad was made, I think, by a Mr. Hoxie, and transferred to the Credit Mobilier. The original parties to the contract had broken down. They had gone on for awhile, but had concluded they would rather lose what they had put in than go on. Then they came to Boston, and got Mr. Ames to go into it. But it was determined that the only safe basis to go on with it was through the medium of a contracting company, and they procured the Credit Mobilier for that purpose. My subscription was to the Credit Mobilier, originally, for 500 shares.

By Mr. SLOCUM:

Q. The contract for 247 miles of road, then, was practically with the Credit Mobilier?—A. Practically it was.

Q. The subsequent contracts for building the Union Pacific Railroad were made directly with the Credit Mobilier?—A. No, sir; not at all. The Credit Mobilier never had anything to do with building the road, except the first 247 miles. When I went into the direction of the Credit Mobilier the Hoxie contract had been transferred to it. After that contract was completed, Mr. Durant said the Credit Mobilier should never have another contract while it was under the control of the men who were called the "Ames party," and it never had, except in this way: The Credit Mobilier agreed to guarantee the fulfillment of the Ames contract for a consideration, and furnish money, when called upon, for which they were to have two and a half per cent. commission. When called upon, however, they were unable to furnish the money, and, therefore, they never had really any such connection, and I believe the formal connection ceased a few months afterward.

By Mr. HOAR:

Q. The whole business of the Credit Mobilier consisted in this contract of 247 miles, and their whole property consisted in profits they made on that contract?—A. No; their property consisted, in addition to that in the capital, of $3,750,000, which was paid in money.

By the CHAIRMAN:

Q. Who contracted for building the balance of the road?—A. There were something over 800 miles of the road remaining to be built. Oakes Ames took a contract to build 667 miles, with the privilege of building the balance, if he should conclude to do so. But after the 667 miles were built, under this contract, he declined to take the remainder, and it was built, I understand, for and on account of the stockholders of the Union Pacific Railroad Company. The condition of the contract given to Mr. Ames, and the only condition he would take it upon, was that it should receive the consent of all the stockholders of the Union Pacific Railroad Company at that time.

Q. That portion of the road, then, which Mr. Ames declined to build under the provisions of this contract was built in the interest of the stockholders; by whom was it built; was it a contract let to any one?—A. There was a contract made with a man by the name of Davis; but I think it could not be put through under his contract, and it was finally built for and on account of the Union Pacific Railroad stockholders at that time.

Q. What interest did the Credit Mobilier have in the Ames contract, either at the time it was made or subsequently by transfer or assignment?—A. The corporation had no interest except as I have described. When Mr. Ames took this contract it was subject to the assent of the stockholders of the Union Pacific Railroad Company; but he said he knew the stockholders of the Credit Mobilier were the parties to whom it really belonged; and if there was any benefit to be derived from it he thought it was fair and just to give every stockholder in the Credit Mobilier the right to come in and take an interest under his contract on signing an agreement to become personally liable, and that was regarded as satisfactory. I think he assigned the contract to seven trustees, for and on account of the individuals who were stockholders in the Credit Mobilier, and that they were to have an interest in his contract in *pro rata* proportion to their ownership of stock in that company. That was the original design with the Credit Mobilier, who built the road. The contract was not given to the Credit Mobilier on account of the feeling against it on the part of the chief men and managers of the Union Pacific Railroad Company; but they gave it to Mr. Ames; and all the parties interested had perfect confidence in him that he would do what was right, and would give to every man an interest such as belonged to him. The contract was executed in that way. The Credit Mobilier, as a corporation, had no jurisdiction over or voice in it, or anything to do with it.

Q. Were there any dividends declared by the Credit Mobilier?—A. Yes, sir; there were two dividends of 6 per cent. each. I think these were all the Credit Mobilier, as a corporation, ever declared.

Q. Were there profits made from the Ames contract?—A. Yes, sir.

Q. Do you remember the amounts?—A. I think I can tell pretty nearly. The Oakes Ames contract amounted to $47,000,000. In a suit which was brought for taxes, in the State courts of Pennsylvania, I was a witness. I was then a director of the road, and of the Credit Mobilier, and had occasion to make out a statement for use in that suit, which, I think, was entirely accurate. The dividends upon that contract were the only profits amounting to anything ever made by the Credit Mobilier or anybody else in building the road, and these profits were between $8,000,000 and $9,000,000 upon that contract, estimating it upon this basis: The road was finished and opened, I think, in May, 1869. I took the average market-value of the stock and bonds which they received in payment of this contract between that date and January 1, 1870. Upon that basis, which everybody regarded as a fair basis, taking the average market-value for that period of over seven months, the profits would amount to between $8,000,000 and $9,000,000.

Q. Were these profits divided among the stockholders of the Credit Mobilier?—A. They divided the profits during the progress of the work, in some instances, sooner than it should have been done, and the consequence was, that before the contract was finished they had to call upon the parties for a large sum of money. Mr. Ames aided them to the amount of several millions, and they all had to do a good deal.

Q. Where are the books and papers showing these transactions and this division of the profits?—A. These books are in the hands of the trustees of that contract. I suppose they are in Boston.

Q. Who are the trustees?—A. Oliver Ames, Benjamin E. Bates, John Duff, Thomas C. Durant, Sidney Dillon, and H. S. McComb. That is my recollection of the names.

Q. Do you know whether they have a secretary, or any officer, who is the special custodian of these books and papers?—A. They are in the

custody of the treasurer, I believe, Benjamin E. Bates, president of the Bank of Commerce.

Q. Will the books of the Credit Mobilier show anything on this subject?—A. No, sir; not at all. They had nothing to do with it. There was a part of the road in dispute—I think about one hundred miles, which was compromised in some way—and I suppose the books of the Credit Mobilier would show in regard to that. I believe it was out of that these two dividends of 6 per cent. each were made.

Q. State whether the shareholders of the Union Pacific Railroad all consented to the Ames contract.—A. Yes, sir, I presume so, at least with two or three trifling exceptions; but I cannot recall any to mind now, except Brigham Young. I believe his stock was afterward purchased by Mr. Dillon or some one, so that finally they all came in. Brigham Young never made any objection to the contract that I heard of, and the only reason of his not assenting was that he was away in Salt Lake City.

Q. Was there any assent given by the Government, so far as you know, to this contract?—A. I do not think there was. It was not regarded that the Government had any interest in it at that time, except to have the road built according to the conditions that had been agreed upon.

WASHINGTON, D. C., *January* 10, 1873.

OAKES AMES, a member of the House of Representatives, sworn and examined.

By Mr. SWANN:

Question. Do you know of any further documents which would give additional light in this investigation other than those mentioned by Mr. Alley?—Answer. No, sir; I know of nothing that would give any more light than the books of the company.

Q. Then all the information that the committee desire upon that subject has been communicated by Mr. Alley in his testimony?—A. I think he has named all the books and papers that bear upon the question.

Q. Have you any documents in your possession that would throw light upon the subject?—A. I have no documents except printed copies of the contract, and other papers filed in this case in Philadelphia, which I will furnish to the committee, if they desire.

Q. Have you a copy of the assent of the stockholders of the Union Pacific Railroad to the Oakes Ames contract?—A. I do not know that I have; that would be in the possession of the trustees.

The committee adjourned until January 14.

WASHINGTON, D. C., *January* 14, 1873.

The committee met at 7.30 p. m. Present, the chairman, (Mr. Wilson, of Indiana,) and Messrs. Hoar, Shellabarger, and Swann.

BENJAMIN F. HAM sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In New Jersey.

Q. Do you know of a corporation known as the Credit Mobilier of America?—A. I do.

Q. Are you an officer of that corporation?—A. I am assistant secretary and treasurer, and also a director.

Q. Have you the custody of the books of that corporation?—A. Yes, sir.

Q. Have you them here with you?—A. Yes.

Q. Have you a copy of the act or charter under which that corporation is organized?—A. Yes, (producing it.)

Q. Is this document which you have handed to me the original act of incorporation and the amendments thereto?—A. It is the original act of incorporation. It does not contain all the amendments.

Q. How many amendments are there to this act?—A. I know only of one. There may be others.

Q. Have you a copy of that one?—A. No, sir; I have not.

Q. Look at this paper that I show you, and state whether that is a copy of it.—A. I should take it to be.

Q. Have you any doubt about it?—A. No, sir; none in the world; I take that to be a copy of it.

The charter and the amendment were put in evidence, as follows:

No. 715.

AN ACT to incorporate the Pennsylvania Fiscal Agency.

SECTION 1. *Be it enacted by the senate and house of representatives of the Commonwealth of Pennsylvania in general assembly met, and it is hereby enacted by the authority of the same,* That Samuel J. Reeves, Ellis Lewis, Garrick Mallory, Duff Green, David R. Porter, Jacob Ziegler, Charles M. Hall, Horn R. Kneass, Robert J. Ross, William T. Dougherty, Isaac Hugus, C. M. Reed, William Workman, Asa Packer, Jesse Lazear, C. S. Kauffman, C. L. Ward, and Henry M. Fuller be, and they are hereby, appointed commissioners to receive subscriptions and to organize a company, by the name and style of the Pennsylvania Fiscal Agency; and the owners of the shares herein authorized to be issued, when the company is organized, shall, under the name and style aforesaid, have perpetual succession; and may purchase, hold, and acquire, by any lawful means, estate, real and personal, and the same may use, sell, lease, let, mortgage, transfer, and convey, and otherwise dispose of; and may sue and be sued, plead and be impleaded, contract and be contracted with, and have and use a common seal, and the same may change at pleasure; and may make by-laws and regulations for the government of their affairs, and may have and use all the rights, powers, and privileges which are or may be necessary for them to have as a company incorporated for the purposes herein stated: *Provided*, That the said company shall not at any time hold, in this State, more land than may be requisite for the convenient transaction of their business.

SEC. 2. That the purpose of this act is to organize an incorporated company, and to authorize them, as such, to become an agency for the purchase and sale of railroad bonds and other securities, and to make advances of money and of credit to railroad and other improvement companies, and to aid in like manner contractors and manufacturers, and to authorize them as a company to make all requisite contracts, and especially to receive and hold, on deposit and in trust, estate, real and personal, including the notes, bonds, obligations, and accounts of States, and of individuals, and of companies, and of corporations, and the same to purchase, collect, adjust, and settle, and also to sell and dispose thereof in any market in the United States, or elsewhere, without proceeding in law or in equity, and for such price and on such terms as may be agreed on between them and the parties contracting with them, and also to indorse and guarantee the payment of the bonds, and the performance of the obligations of individuals, of corporations, and of companies.

SEC. 3. That the capital stock of said company shall consist of fifty thousand shares, of one hundred dollars each; and the commissioners aforesaid, or a majority of them, may, in person or by proxy, open books of subscription at such times and places as they deem expedient, and when five thousand shares shall have been subscribed, and five per centum thereon shall have been paid in, the shareholders may elect five or more directors; and the directors of the said company, when it shall have been organized may, and they are hereby authorized and empowered to have and to exercise, in the name and behalf of the company, all the rights, powers, and privileges which are intended to be herein given; and may, from time to time, increase their resources by borrowing money on a pledge of their property, or without such pledge, or by new subscriptions, not exceeding fifty thousand shares; and any citizen or subject, company or corporation, of any State or county, may subscribe for, purchase, and hold

shares of the said company, with all the rights and subject only to such liabilities as other shareholders are subject to; which liabilities are no more than for the payment to the company of the sums due or to become due on the shares held by them; and when new subscriptions are made, the shares may be issued at par or sold for the benefit of the holders of the shares heretofore issued.

SEC. 4. That the by-laws shall prescribe the manner in which the officers and agents of the company shall be chosen, and designate their powers and duties, and their terms of service and compensation; and the principal office of the company shall be in Philadelphia, but the directors, under such rules and regulations as they may prescribe, may establish branches and agencies in Europe and elsewhere, and may deal in exchange, foreign and domestic; but the said company shall not exercise the privilege of banking, nor issue their own notes or bills to be used as bank-notes or as currency.

SEC. 5. That three-fifths of the directors of the said company shall be citizens of the United States, and the majority of the whole shall reside in this State.

SEC. 6. That the said company shall pay to the State treasurer, for the use of the State, a bonus of one-half of one per centum on the sum requisite to be paid in previous to the organization, payable in four equal annual installments, the first payment to be made in one year after the payment on the capital stock shall be made, and also a like bonus on all subsequent payments on account of the capital stock of the said company, or any increase thereof, payable in like manner; and, in addition to such bonus, shall pay such tax upon dividends exceeding six per centum per annum as is or may be imposed by law.

W. C. A. LAWRENCE,
Speaker of the House of Representatives.
JNO. CRESWELL, JR.,
Speaker of the Senate.

Approved the first day of November, anno Domini one thousand eight hundred and fifty-nine.

WM. F. PACKER.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH,
Harrisburgh, November 1, A. D. 1859.

I do hereby certify that the foregoing is a full, true, and correct copy of the original act of the general assembly, as the same remains on file in this office.

In testimony whereof, I have hereunto set my hand and caused the seal of the secretary's office to be affixed, the day and year above written.

WM. M. HIESTER,
Secretary of the Commonwealth.

PENNSYLVANIA, *ss:*
[Seal of secretary's office, Pennsylvania.]

LETTERS-PATENT SIGNED BY THE GOVERNOR OF PENNSYLVANIA.

PENNSYLVANIA, *ss:*
A. G. CURTIN.
[L. S.]

In the name and by the authority of the Commonwealth of Pennsylvania, Andrew G. Curtin, governor of the said Commonwealth,

To all whom these presents shall come, sends greeting:

Whereas an act of the general assembly of this Commonwealth, entitled "An act to incorporate the Pennsylvania Fiscal Agency," approved the 1st day of November, A. D. 1859, provides for the organization of a company by the name, style, and title of "The Pennsylvania Fiscal Agency;"

And whereas the commissioners, in accordance with said act of the general assembly, have made application to me for the issuing of letters-patent to said company; and whereas the stipulations and things in the said act directed to be performed have in all respects been fully complied with: Now, know ye, that in pursuance of the power and authority to me given by law, I, Andrew G. Curtin, governor of the said Commonwealth, do, by these presents, which I have caused to be made patent and sealed with the great seal of the State, create and erect the subscribers to the stock of the said company for the number of shares by them subscribed, viz:

Samuel T. Billmeyer, four shares,
Oliver W. Barnes, two thousand four hundred and ninety-six shares,
Charles M. Hall, two thousand four hundred and ninety-five shares,
E. Reed Myer, five shares,
Duane Williams, three shares,

Charles Williams, three shares,
Samuel L. Clements, three shares, and
David R. Porter, three hundred and twenty shares,
Amounting in the whole to five thousand three hundred and twenty-nine shares;
And, also, those who shall afterwards subscribe to the stock of the said company, into one body politic, and corporate in deed and in law, by the name, style, and title of "The Pennsylvania Fiscal Agency." And by the said name the subscribers shall have perpetual succession, and all the privileges and franchises incident to a corporation; and the said subscribers, and those who shall afterwards subscribe, their successors and assigns, are generally to be invested with all ther ighta, powers, and privileges, with full force and effect, and be subject to all the duties, requisitions, and restrictions specified and enjoined in and by the said act of the general assembly, and all other laws of this Commonwealth.

Given under my hand and the great seal of the State at Harrisburgh, this first day of June, in the year of our Lord one thousand eight hundred and sixty-three. and of the Commonwealth the eighty-seventh.

By the governor:
(Signed) ELI SLIFER,
Secretary of the Commonwealth.

AN ACT to change the name of The Pennsylvania Fiscal Agency.

SECTION 1. Be it enacted by the senate and house of representatives of the Commonwealth of Pennsylvania in general assembly met, and it is hereby enacted by the authority of the same:

That from and after the passage of this act "The Pennsylvania Fiscal Agency" shall be named instead thereof "The Credit Mobilier of America," with all the powers, privileges, and authorities they had under their former name, and be subject to all the restrictions and liabilities to which they were subject to under the same.

HENRY C. JOHNSON,
Speaker of the House of Representatives.
JOHN P. PENNEY,
Speaker of the Senate.

Approved the twenty-sixth day of March, anno Domini one thousand eight hundred and sixty-four.

A. G. CURTIN.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH, PENNSYLVANIA,
Harrisburgh, March 28, A. D. 1864.

I do hereby certify that the foregoing and annexed is a full, true, and correct copy of the original act of the general assembly entitled "An act to change the name of 'The Pennsylvania Fiscal Agency,'" as the same remains on file in this office.

In testimony whereof, I have hereunto set my hand, and caused the seal of the secretary's office to be affixed, the day and year above written.

[L. S.] W. H. ARMSTRONG,
Deputy Secretary of the Commonwealth.

No. 3.

SECOND AMENDMENT OF CHARTER.

No. 278.—*February* 28, 1867.

Be it enacted, &c., That in every case where the Credit Mobilier of America, a body corporate established by the laws of this Commonwealth, has heretofore agreed, or shall hereafter agree, to aid any contractor with a railroad company by advancing money to such contractor, or by guaranteeing the execution of a contract for the building, construction, or equipment of a railroad, or for materials or rolling-stocks, it shall be lawful for the said Credit Mobilier of America to take such measures as will tend to secure the full and faithful performance of the contract, and the said Credit Mobilier may to that end appoint its own officer, agent, or superintendent to execute the contract in the place of the contractor so aided or guaranteed; saving, nevertheless, to all parties their just rights under the contracts according to their true intent and meaning.

(Signed) JOHN R. GLASS,
Speaker of the House of Representatives.
LOUIS W. HALL,
Speaker of the Senate.

Approved February 28, 1867, by
JOHN W. GEARY,
Governor, &c.

Q. When was the corporation, the Credit Mobilier of America, organized under that charter?—A. This book shows that the first meeting was on the 29th of May, 1863. That was a meeting of the stockholders of the Pennsylvania Fiscal Agency. It was originally the Pennsylvania Fiscal Agency, as the charter shows.

Q. Does that book show the organization of the corporation now known as the Credit Mobilier?—A. Yes, sir.

Q. Who were the original stockholders of the Credit Mobilier, and what amount of stock did each one subscribe for?—A. Charles M. Hall, 2,421 shares of $100 each; Oliver W. Barnes, 2,420 shares of $100 each. There were three or four other parties who had small amounts of stock. I cannot give the names. It was long before I had anything to do with the organization.

Q. Are there any books or papers in your possession that will show who the original stockholders were?—A. No, sir.

Q. Has there ever been any such book, of which you have any knowledge?—A. Not that I know of. There may have been.

Q. Have any books or papers of that corporation been lost, destroyed, or carried away since you have been connected with it?—A. Some of them have been lost.

Q. Do you know what books were lost?—A. The transfer-books were lost—the transfers of stock.

Q. Any others?—A. I do not know of any others.

Q. When were those transfer-books lost?—A. They were lost in my possession in December, 1868.

Q. What became of them then?—A. That is more than I can tell.

Q. How did they get out of your possession?—A. At that time I resigned my position as assistant secretary.

Q. When were you re-elected?—A. In May, 1870.

Q. Were those transfer-books among the books of the company at the time you went out of office?—A. Yes; there were two of them—two transfer-books.

Q. And they were not there when you came into office again?—A. No, sir.

Q. Who held that position during the time you were out of office?—A. There was no assistant secretary during that time.

Q. Who was the officer that had possession of those books during that time?—A. They were around in different places. They were part of the time in Philadelphia, and part of the time elsewhere.

Q. What do you mean by "elsewhere?"—A. They were sometimes in New Jersey and sometimes in Philadelphia.

Q. Who was carrying them about in that way?—A. They were not being carried about; they were put away in various places. Mr. Dillon, as president of the Credit Mobilier, ordered them put away.

Q. Put away where?—A. Put away in different places; I do not know where; I did not go with them. I surrendered them to Mr. Dillon; he took the safe, containing the books and all, and took it away.

Q. Do you know anything about the purpose for which they were carried away?—A. To avoid process in the James Fisk suit.

Q. Do you know where Dillon took them when he did take them away?—A. No, sir; I do not.

Q. You never saw them since?—A. I do not know that he took these transfer-books away. I do not know that they were in that safe, because it was necessary for me to use some of the books, as a clerk, and these books may have been left in the office of the Union Pacific Railroad Company, and lost there during the time that the thing was locked

up. There was a time that I kept out of New York on account of the James Fisk suit, and remained at my home in New Jersey for months.

Q. And you know nothing of these transfer-books since you went out of office?—A. No, sir.

Q. How long before you went out of office had you seen them?—A. That I cannot say. These things are three or four years old, and are not fresh in my memory.

Q. Had you frequent occasion to use these transfer-books?—A. No, sir; I very seldom used them. There was very little transfer of stock.

Q. You have no other means of knowing who were stockholders?—A. The stock-ledger shows who were stockholders.

Q. Where is that stock-ledger?—A. Here. The transfer-books were of no account to anybody. It is possible that I may be able to tell from some of these other books who the original parties were. (Turning to the page.) Here they are given:

Cash for capital stock, $96,645; D. R. Porter, 320 shares; S. T. Billmeyer, 4 shares; Oliver W. Barnes, 2,496 shares; Charles M. Hall, 2,495 shares; E. R. Meyer, 5 shares; D. Williams, 3 shares; E. Williams, 3 shares; S. L. Clement, 3 shares.

These are all of the original stockholders.

Q. What is the date of that subscription?—A. May 29, 1863, this cash seems to have been received.

Q. Have you any books that will show who have since become stockholders?—A. Yes, sir; the stock-ledger will show.

Q. We want to know all who have been stockholders at any time after the first organization of the Credit Mobilier down to the present time.—A. I will furnish you with a written list.

Mr. HOAR. Furnish a list of all persons who have held stock, the number of shares held by each, the dates, and all the sums paid on account of stock, with all sums of money or other property divided or allotted to each.—A. The last question is one I cannot answer, because I had nothing to do with the books.

Q. State whether you were ever a stockholder in the Credit Mobilier Company yourself.—A. Yes, sir.

Q. Are you interested in that stock now?—A. My son holds three shares; or it is held in trust for him by R. D. Bush, trustee.

Q. When did he procure that?—A. He procured it in 1868 or 1869, I cannot say which.

Q. And you have no interest in the stock of Credit Mobilier excepting that?—A. No, sir.

Q. How old is your son?—A. Seven years old.

Q. Who furnished the money with which to pay for that stock?—A. His mother did.

Q. Out of her separate means?—A. Out of her separate means which she had before I married her.

Q. State to the best of your knowledge what sum of money has been paid over to that trustee on account of those three shares.—A. I can state that by purchases and sales of the Union Pacific stock there has been $700 or $800 realized on these three shares; but then there have been two or three purchases and sales of stock. Stock has been bought by me at 20 and sold at 40, and repurchased again.

Q. Why did you do this if your son's shares were held in trust by somebody else?—A. Because I had the management of it. Mr. Bush held it as trustee, and I managed it.

Q. Did you receive the dividends on it?—A. No, sir.

Q. Or the allotments?—A. No, sir.

Q. Who did receive them?—A. The allotments that were turned

over were turned over to Mr. Bush. The Union Pacific Railroad stock was transferred to him.

Q. Then how did you use it?—A. He indorsed it, and I sold it.

Q. Where is the money?—A. The money is in my hands at present.

Q. These shares that Mr. Bush held for your son, were they paid for at a hundred dollars a share?—A. Yes.

Q. Has there been by that trustee any money received on these shares as dividends?—A. I do not think there has been. I do not know.

Q. In what way have the profits or allotments on those three shares been made?—A. I think they were all made in stock of the Union Pacific Railway Company. That is the only thing I have ever seen.

Q. What amount of stock of the Union Pacific Railway Company has been received on these shares?—A. That I cannot tell you.

Q. Give your best recollection.—A. I cannot say whether it was fourteen or fifteen shares; it was something like that.

Q. What was their par value?—A. One hundred dollars per share.

Q. Then that was $1,300 or $1,400 in nominal value that was received?—A. Yes.

Q. Has there been anything else of value received, directly or indirectly, on account of that stock?—A. I do not think there has been.

Q. Any bonds?—A. I do not think there has been. There could not be any bonds, because it was too small an amount.

Q. Have these shares been sold?—A. Yes.

Q. What sum has been realized from them by this trustee?—A. About seven hundred or eight hundred dollars.

Q. What has become of the three Credit Mobilier shares?—A. They are still held by the trustee.

Q. They have not been sold?—A. No, sir.

Q. Have those three shares, so far as you know, received any more than their proportion as compared with other stock of the Credit Mobilier?—A. Mind that this $700 or $800 is not the result of dividends alone. It is the result of purchases and sales since the dividends were made—selling the stock and buying it again.

Q. At the time you received the 14 or 15 shares of Union Pacific stock, what was its market value?—A. That I do not recollect.

Q. What is your best judgment of the matter?—A. I have no best judgment about it.

Q. How long ago is this?—A. Three or four years ago. I paid very little attention to it.

Q. You had the practical managment of the matter?—A. Yes, but I paid little attention to it. It was a small matter.

Q. Was the stock worth par at that time?—A. No, sir; it was not worth 50 cents on the dollar.

Q. You paid attention enough to it to know that?—A. Yes.

Q. Was it worth forty?—A. No; I should think it was worth about twenty.

Q. But you afterward realized forty upon it?—A. Yes.

Q. Now I will come back to the question; did these three shares, so far as you know and believe, receive as much and no more in proportion as the other shares in the Credit Mobilier?—A. I presume they received the same.

Q. You say that the whole capital stock of the Credit Mobilier was——A. Three million seven hundred and fifty thousand dollars.

Q. And you think that on account of that $3,750,000, stock in the Union Pacific Railroad was realized by the holders of the Credit Mo-

billier stock in the proportion of fourteen to three?—A. No, sir; I do not.

Q. I understood you that you got thirteen or fourteen shares of Union Pacific stock for the three shares of Credit Mobilier held for your son?—A. That may be; but I did not get bonds or anything else. Other parties received bonds.

Q. What kind of bonds were received?—A. Those bonds were divided by the trustees, and they can explain the matter.

Q. I want to get at your general knowledge; you were the secretary of the company?—A. I had nothing to do with the dividends as secretary of the company.

Q. You were in fact secretary of the company?—A. Yes.

Q. And you had a minor son who was a stockholder, and his stock was held in trust under your direction?—A. Yes.

Q. What did you understand was received in bonds by other shareholders?—A. That I cannot call to mind now. I have not the books, and I have no memory upon it.

Q. What was your understanding at the time upon the subject?—A. Having so little interest in it, I paid no particular attention to these dividends. I had plenty of business of my own to attend to.

By Mr. SWANN:

Q. Where is that information to be got?—A. Mr. Crane or Mr. Durant will furnish the information.

Mr. DURANT. I have books that will furnish all this information, and the names of all the parties.

By the CHAIRMAN:

Q. Who were the first board of directors of the Credit Mobilier Company?—A. David R. Porter, Oliver W. Barnes, Samuel T. Billmeyer, E. Reed Myer, Charles M. Hall, and Jacob Ziegler.

Q. When were they elected?—A. On the 29th of May, 1863.

Q. When was the board organized by the election of officers of the board and who were the officers?—A. The record shows that it was organized on May 29, 1863. The officers were Jacob Ziegler, president; Oliver Barnes, secretary; and Charles M. Hall, treasurer.

Q. When was the next election?—A. The next election was July 26, 1865.

Q. Who were elected then as directors?—A. Thomas C. Durant, G. Griswold Gray, J. M. S. Williams, J. H. Scranton, Oliver W. Barnes, Paul Pohl, jr., and Charles M. Hall.

Q. Who were elected officers of the board?—A. Thomas C. Durant was elected president and Oliver W. Barnes secretary and treasurer.

Q. When was the next election?—A. May 19, 1866.

Q. Who were elected directors then?—A. Oliver W. Barnes, J. W. Scranton, Paul Pohl, jr., Benedict B. Stewart, Thomas C. Durant, G. Griswold Gray, and John M. S. Williams.

Q. Who were elected officers of that board?—A. Thomas C. Durant was elected president, and Oliver W. Barnes secretary and treasurer.

Q. When was the next election?—A. May 18, 1867.

Q. Who were elected directors then?—A. Oliver W. Barnes, Robert G. S. McNeal, Benedict B. Stewart, Paul Pohl, jr., Sidney Dillon, John B. Alley, and Roland G. Hazzard.

Q. Who were elected officers of the board?—A. Sidney Dillon was elected president, and Oliver W. Barnes secretary and treasurer.

Q. When was the next election?—A. May 16, 1868.

Q. Who were elected directors then?—A. Oliver W. Barnes, Paul

Pohl, jr., Charles M. Ghriskey, Thomas Rowland, Sidney Dillon, John B. Alley, and Roland G. Hazzard.

Q. Who were the officers?—A. Sidney Dillon president, and Oliver W. Barnes secretary and treasurer.

Q. When was the next election of directors?—A. May 21, 1870.

Q. Who were elected directors then?—A. R. G. Hazzard, Sidney Dillon, Paul Pohl, jr., Charles M. Ghriskey, Thomas Roland, Francis H. Janvier, and B. F. Ham.

Q. Who were the officers?—A. Francis H. Janvier was elected secretary and Sidney Dillon president.

Q. When was the next election?—A. I think that that election in 1870 was the last.

Q. Did this corporation at any time engage in the construction of the Union Pacific Railway?—A. It had charge of building the road to the hundredth meridian.

Q. When did it first engage in that work?—A. Those other witnesses who had charge of it can tell you more definitely than I can.

Q. Is there any entry on the books that will show when the Credit Mobilier engaged first in the construction of the Union Pacific Railway?—A. The Credit Mobilier advanced money to it, and I can show you when that first took place, but I am not familiar with the workings of it, as it was done before I had anything to do with the concern. The Credit Mobilier never built any of the Union Pacific Railroad after I became an officer. The company paid on account of construction under the Hoxie contract, on March 20, 1865, $202,770. That was the first payment.

Q. On what kind of contract or arrangement did the Credit Mobilier advance money to the Union Pacific Railway Company?—A. I do not know that it did advance any money to the Union Pacific Railway Company, except to lend it the same as to any one else. If the Credit Mobilier Company had any money it did not need, it would lend it.

Q. Have you any paper or memorandum showing the nature of those loans and what kind of obligation was given by the Union Pacific Railway Company, or any one else?—A. There were no obligations given at all. It was nothing but a book account. If the Credit Mobilier lent any money to the Union Pacific Railway Company, it was simply on book account.

Q. There was no note?—A. No note and no obligation.

Q. Or acceptance of any kind?—A. No, sir; and no securities, if it lent the Union Pacific Company any money.

Q. Have you the Hoxie contract here?—A. No, sir; I have not.

Q. Was that contract ever transferred to the Credit Mobilier?—A. It was transferred by the failure of Mr. Hoxie to execute it.

Q. Where is that contract?—A. In New York.

Q. Why did you not bring that with you?—A. I did not understand that you wanted it.

Q. Can you produce a copy of the Hoxie contract?—A. Yes, sir.

Mr. DURANT. Copies of all the contracts are here.

Q. Do you know why that Hoxie contract was assigned to the Credit Mobilier?—A. I do not; I suppose it was because Hoxie failed to carry it out, and the Credit Mobilier took it.

Q. Do you know anything of a contract entered into by Oakes Ames with the Union Pacific Company for the construction of the road?—A. Yes, sir.

Q. Have you copies of that contract here?—A. No, sir; I have one in my possession.

Q. You were examined as a witness in the case of the Credit Mobilier of America against the Commonwealth of Pennsylvania, were you not?—A. Yes, sir.

Q. Look at this document, (handing to witness a printed pamphlet,) and see whether that is a correct copy of the Oakes Ames contract, commencing on page 14.—A. I should say that this was correct; it looks as if it were correct.

Q. Was that contract assigned by Mr. Ames?—A. Yes, sir.

Q. Look at the document I show you, commencing at page 19, and state whether or not that is a copy of the assignment of the contract.—A. I should take it to be a copy.

(Copies of the contract and assignment are appended to the testimony.)

Q. This contract and the assignment were made after you became secretary of the company?—A. Yes, after I became the assistant secretary.

Q. Have you any agreement, papers, or memoranda showing the assent of shareholders in the Credit Mobilier to the terms of that assignment?—A. No, sir; they were never asked to assent to it. They consented in another manner.

Q. In what manner did they assent?—A. They assented to the trustees.

Q. You have no copies of that assent?—A. No, sir.

Q. State whether or not, under this contract and the assignment thereof, the Credit Mobilier proceeded in this work.—A. No, sir; it had nothing to do with it.

Q. Was there ever any relinquishment on the part of the Credit Mobilier of the interest which it acquired under that contract?—A. Yes, sir.

Q. Have you a copy of it?—A. No, sir; I have not.

Q. Where is it?—A. I do not know.

Q. Was it ever among the books or papers of the Credit Mobilier?—A. No, sir; I never held a copy of it.

Q. How many dividends have been declared by the Credit Mobilier?—A. Only one.

Q. When was that declared?—A. It was declared in December, 1867.

Q. What was the amount of that dividend?—A. Six per cent. for each of the years 1866 and 1867.

Q. Was the stock of the Credit Mobilier increased at any time; if so, when and what amount?—A. The capital stock was originally designed to be $2,000,000. It was then increased nominally to $2,500,000, but not fully.

Q. When was that increase made?—A. That I cannot say, for it was before I had anything to do with it.

Q. Do not the books show when that increase was made?—A. The stock account shows the time when the capital stock was paid in, but the capital stock never was made up to the full amount of what it was allowed to be. For instance, when it was supposed to be $2,000,000 it was not quite that. Then they increased it 25 per cent. to make it $2,500,000, but they did not get $2,500,000. Then they increased it $1,250,000 with a view to make it $3,750,000.

Q. That was an increase simply by additional stock?—A. By additional stock, or by allowing old subscribers to take the new stock and pay for it.

Q. When was that done?—A. The increase of $1,250,000 was done in February, 1867.

Q. I understand you to say, then, that these stockholders were permitted to take additional stock?—A. Yes.

Q. And that they paid for it dollar for dollar?—A. Yes, sir.

Q. What was that stock worth in 1867, at the time that this increase of which you have spoken was made?—A. It could be bought for 90 cents on the dollar.

Q. At the time the increase was made?—A. Yes; I could have bought all I wanted at that.

Q. Did it increase in value after that; and, if so, to what extent?—A. It was held at all sorts of fictitious prices. But I do not know of actual sales.

Q. What was it considered worth by those who owned it?—A. I presume they considered it worth from 200 to 300 per cent.

Q. After the making of the Oakes Ames contract, in 1868, what was it worth?—A. That was the time they considered it so valuable.

Q. Was this stock for sale in the market?—A. No, sir; sales were very seldom made. Owners would not part with it.

Q. Had it got to be considered worth 90 cents on the dollar before the Ames contract?—A. I do not think it did. I have no positive knowledge of that.

Q. You said, a moment ago, that there never was but one dividend declared, and that was in 1867?—A. Yes.

Q. That was 12 per cent.?—A. Yes.

Q. What was it that increased the value of that stock in the estimation of its holder, if the Credit Mobilier had nothing to do with the Ames contract?—A. It was a prospective value.

Q. But I understood you to say that the Credit Mobilier had no connection whatever with the Ames contract; that it had relinquished all its interest in it. Now, what did the prospective value grow out of?—A. This interest was not relinquished till afterward. The Credit Mobilier stockholders had an interest in the contract, but the Credit Mobilier itself did not have an interest.

Q. If the Credit Mobilier itself had no interest in the contract, why should its stock be estimated so high by the holders of it?—A. Because the dividends made by the trustees were payable to the stockholders of the Credit Mobilier.

Q. Then it was from what they expected to be derived from the Oakes Ames contract, through the trustees, that the advantage was to come?—A. Yes, sir.

Q. Do you know anything in regard to the amount of dividend or allotments that were received by the stockholders of the Credit Mobilier on account of the Ames contract?—A. Not of my own certain knowledge.

Q. Are there any books or papers belonging to the Credit Mobilier that will show the amount which the stockholders of the Credit Mobilier received on account of this Ames contract?—A. No, sir.

Q. Were there ever any such books?—A. Never, in the possession of the Credit Mobilier.

Q. Were you, at any time, or are you now, an officer of the Union Pacific Railroad Company?—A. I was at one time auditor of the company.

Q. When?—A. From January, 1867, till October, 1870.

Q. Are you an officer of that company now?—A. No, I am not.

Q. During the time that you were an officer of the Union Pacific Railroad Company, where was the office of that company kept?—A. Part of the time in New York, and part of the time in Boston.

Q. How much of the time in New York?—A. The office was kept in

New York until Congress gave authority to remove the office to Boston.

Q. During that time, while the office was in New York, was the office of the Credit Mobilier kept in the same office with the Union Pacific Railroad Company?—A. Yes, sir, it was.

Q. Was the secretary or the custodian of the books of the Credit Mobilier Company an officer at the same time of the Union Pacific Railroad Company?—Yes, sir, he was.

Q. State whether or not, at all times, from 1867 down to this time, the officers of the Credit Mobilier Company have also been officers of the Union Pacific Railroad Company?—They have not. At the present time they are not.

Q. For what length of time were they, and when were they?—A. I was an officer of both corporations from May, 1867, until December, 1868.

Q. After that how was it?—A. After that Mr. Dillon was president of the Credit Mobilier Company, and one of the directors of the Union Pacific Railroad Company.

Q. Who was secretary of the Credit Mobilier Company after that?—A. Oliver W. Barnes.

Q. What connection had he with the Union Pacific Railroad Company?—A. None whatever, except as a stockholder of the Union Pacific Railroad Company.

Q. Were there any other officers of the Credit Mobilier who were also officers of the Union Pacific Railroad Company?—A. I do not think there were.

Q. Were they stockholders in the Union Pacific Railroad Company?—A. Mr. Hazzard and Mr. Alley were.

Q. Who were not?—A. I do not think that any of the rest were stockholders in the Union Pacific Railroad Company. I cannot say whether others of them were or not.

Q. From 1867 down to the time that the office of the Union Pacific Railroad Company was removed to Boston, were the offices of the two corporations in the same place excepting while the Credit Mobilier Company was traveling about, as you have already stated?—A. Yes, sir.

Q. Prior to 1867, were the offices of these two companies kept together?—A. I do not know about that.

By Mr. SWANN:

Q. You have stated that you were the custodian of the archives of your company; have these papers disappeared?—A. Not while I was custodian. They disappeared after I resigned my position.

Q. Do you know what that box or iron safe contained?—A. It was a regular iron safe.

Q. Do you know what documents it contained?—A. No, sir; I do not. It is some years since it was moved away.

Q. Did it contain the transfer-books?—A. No, sir; I do not know that it did. My impression is that they were not in it.

Q. What other papers did it contain?—A. It contained these books that I have here.

Q. And no other valuable books or evidences that you know of?—A. No, sir.

Q. You went to the safe occasionally to see what it contained?—A. Yes, but it is some years ago, and I do not recollect.

Q. Did it contain anything but these books to which you have referred?—A. It contained some papers in addition to those books.

Q. You do not know what those papers were?—A. No, sir; I do not.

Q. They might or might not have been valuable papers?—A. They might or might not. I do not think that there was any money or bonds in the safe.

Q. And they disappeared after you resigned or retired from the company?—A. Yes, sir.

Q. And what became of them you do not know?—A. No, sir; I do not.

By Mr. HOAR:

Q. Which of the books that belonged to the Credit Mobilier, and that were in your hands while you were its secretary, are now lost?—A. The transfer-books.

Q. Do you know of any others?—A. No, I do not.

Q. Was there any cash-book or journal other than what you have here?—A. No, sir; none other than I have here.

Q. Then you are able to exhibit, so far as you know, all the transactions of the Credit Mobilier Company, so far as they appeared on the books, except these transfer-books?—A. Yes, sir; I could make a new transfer-book from what I have here.

Q. You would be able to make it out from your books of debit and credit with the different stockholders?—A. Yes, sir.

Q. Do you understand that there is a copy of the transfer-book in existence?—A. A book was exhibited to me to-day purporting to be a true copy.

By Mr. SWANN:

Q. In whose custody ought that safe, in which those papers were kept, to be at this time?—A. That safe is now in my office; but these missing papers were not in that safe, I think. I know that these books were not. I know of nothing else that was missing. I do not think the transfer-books were in the safe at all. There are some papers still in the safe.

Q. When have you seen the safe last?—A. I saw it yesterday. I did not open it.

Q. Are you satisfied, from the appearance of the safe, that it contained all the papers that you saw in it formerly, when you had the custody of it?—A. I do not think that there are any papers missing from that safe that were in it. I do not think that the transfer-books were in it at all.

Q. Where were they kept?—A. They were kept in the vault of the Union Pacific Railroad Company.

Q. Do you know whether they exist still?—A. No, sir; I do not. If I did, I should have made an effort to produce them to-day, for it has been somewhat an inconvenience for me to be without them.

Q. Where ought they to be?—A. They ought to be now in my possession.

Q. How could they have disappeared? What is your impression on the subject?—A. At the time that we locked up the vault on the 19th of March, 1868, we did not put in any papers that we could keep out of it. I went to New Jersey and staid a month. These papers were stowed away, I supposed, and, as the books were books which nobody used but myself, they were very probably put away where they could not be found by other parties.

Q. Have you any idea that they were abstracted for any purpose?—A. No, sir, I have not, for there would be no purpose in doing it. We have got all the evidence in these books that the others could con-

tain. There would be, therefore, no object in abstracting them. My impression is that the books are mislaid; that is all. The stock-ledger is correct.

By Mr. SHELLABARGER:

Q. How was this stock in the Credit Mobilier taken; were there books opened, and an opportunity given to the public in general to come ino and take stock?—A. I do not know; that was before my time.

Q. Was there ever any time after you became connected with the company when such an opportunity was given?—A. No, sir. When I became an officer of the Credit Mobilier Company the subscription-list was completed, or nearly so.

Q. After you became an officer, what additions were made to the subscriptions?—A. About three hundred thousand dollars.

Q. By whom was that stock taken?—A. It was taken by parties who were entitled to it.

Q. At what dates?—A. The first was June 1, 1867, Williams & Guion, $16,000; the next was John B. Alley, June 29, $5,000; W. H. Macey, $500; G. G. Gray, from the 2d to the 15th July, $69,000; December 16, Thomas C. Durant, $165,500; December 17, George Francis Train, $6,000; December 20, Thomas C. Durant, $7,500; December 26, Thomas C. Durant, $5,000; December 18, David Jones, $13,000; January 18, 1868, Henry C. Crane, trustee, $6,000; February 29, Anna Dodge, $1,000; March 11, Charles H. Neilson, $5,000; April 1, Oakes Ames, trustee, $9,300. That is all the money I received on account of stock. That makes the amount up.

Q. No original stock has been taken since that which you have just named?—A. No, sir. The stock was then made up to its full amount, $3,750,000.

Q. That includes the 50 per cent. which was added and allowed to the original stockholders?—A. Yes, sir.

Q. You spoke in your testimony about a dividend of 12 per cent. that was made for two years—6 per cent. a year. Out of what business did that dividend arise?—A. A portion of it must have arisen out of the business of the Hoxie contract, and a portion of it arose out of the profits of the Oakes Ames contract up to a certain period.

Q. So far as you know, did the Credit Mobilier ever embark in any other enterprise, or lend its credit to any other enterprise than in connection with this railroad?—A. No, sir.

Q. Never?—A. No, sir.

Q. Then there was no other source of income except under the Hoxie contract or the subsequent contracts?—A. No, sir; except its capital stock.

Q. Did it ever loan out any of its capital otherwise than toward forwarding this enterprise?—A. No, sir; it may have done so originally.

Q. Not after it changed its name?—A. Not after it came into the hands of the present owners.

Q. Was that stock ever offered in the market?—A. I presume it can be bought now.

Q. Was there ever a time in which it was offered in the public market or quoted for sale?—A. No, sir; it never was on the stock-list. It never was dealt in on the stock exchange.

Q. What is the first sale that you know of having being made of that stock at its full value?—A. I cannot recall any one.

Q. You know of no sale at all being made at its full value?—A. Not of my own knowledge.

Q. There is no time at which you can give us the true value of the stock, from any transactions in it, of your own knowledge?—A. No, sir; because I never dealt in it myself.

Q. You never heard any of the members of the Credit Mobilier say what its value was, or what they were able to sell it to strangers at, who had no interest in purchasing it except as an article of merchandise?—A. I may have heard them say, but I paid no attention to it.

Q. Can you not recollect now any sales that were made?—A. No, sir. There were very few sales made. I do not think there were a thousand shares sold.

Q. You stated a while ago that there were no dividends ever made by this Credit Mobilier as a corporation, except for the two years you mentioned?—A. Yes, sir.

Q. But that all payments that were ever made as profits from the Oakes Ames contract were made directly to the stockholders of the Credit Mobilier, but not through the corporation?—A. Yes; it was paid to individual stockholders.

Q. Did all the stockholders participate alike?—A. Not unless they signed a certain agreement.

Q. Were there any who did not sign it?—A. I do not know; I had nothing to do with the books.

Q. You were the auditor of the Union Pacific Railroad Company?—A. Yes.

Q. What were your duties in the office?—A. I had charge of the books and accounts of that company; I kept them.

Q. What amount of subscription to the capital stock of the Union Pacific Railroad Company was, in fact, paid up from first to last by the several subscribers to the stock of that company—paid up in cash, according to the requirements of the act of Congress?—A. The original subscribers, the men who took the thousand-dollar shares, sold their stock to the Credit Mobilier, except, perhaps, two or three. The Credit Mobilier bought up that stock and held it.

Q. Was your answer that the Credit Mobilier bought up all the stock except from two or three subscribers?—A. Yes; except from two or three parties who held on to it; and that was a very small amount.

Q. When did that transaction occur?—A. The Credit Mobilier commenced buying at once.

Q. What was the "at once?"—A. The books show that they commenced buying stock of the Union Pacific Railroad Company on December 1, 1864. They commenced buying stock from the first stockholders.

Q. Was that done by the Credit Mobilier as a corporation, or by the members thereof?—A. It was done by the corporation.

Q. As such?—A. That is what the books show—that the corporation bought it and paid for it.

Q. At what rates?—A. The books show that they paid the full value for it.

Q. Par value?—A. No, sir; the stock was not paid for in full; but only $5 or $10 a share was paid.

Q. Did they ever pay up the balance at any time?—A. Yes; they paid up the balance, and made it a full-paid stock before they issued it to their stockholders.

Q. Who paid it up?—A. The Credit Mobilier.

Q. And issued the stock to whom?—A. To their stockholders; or sold it to them. My recollection is that they sold it to them when it was a 30 per cent. stock. They bought the stock when there was, say

20 per cent. paid on it, and they continued to buy it all along until they bought it all.

Q. The stock was issued to somebody, was it?—A. Yes.

Q. To whom was it ultimately issued by the Union Pacific Railroad Company? Was it issued to the Credit Mobilier or to their individual stockholders?—A. It was first issued to individuals, and, when the Credit Mobilier bought it, it was issued to the Credit Mobilier. As fast as they bought it, it was transferred, and new certificates made out in the name of the Credit Mobilier of America.

Q. Was all the stock issued to the corporation, and not to individual members?—A. To the corporation, and not to individual members.

Q. And that was done after the Credit Mobilier had become owners of the great body of the stock?—A. It was done at different times. According as the Credit Mobilier bought the stock, it was transferred.

Q. What do you mean by transferred?—A. It was put in the name of the Credit Mobilier of America.

Q. But the certificate was never issued to anybody until it was paid for?—A. Yes; they had scrip certificates, or receipts, on which they were required to pay ten per cent.

Q. When did it come to pass that the Credit Mobilier had substantially all the stock of the Union Pacific Railroad Company?—A. At the time of making the Oakes Ames contract they had substantially all of it. There were, perhaps, eight or ten men who had not sold their stock.

Q. How did the Credit Mobilier make payments to the Union Pacific Railroad Company of the hundred per cent. on the stock subscribed?—A. That was before my time.

Q. Can you tell from the books?—A. I can examine and see.

Q. Do you know whether they had come to own all the stock before the Oakes Ames contract was assigned to the trustees?—A. Substantially. There may have been eight or ten men who had not sold their stock, but not more than that.

Q. Do you know who were directors of the Union Pacific Railroad Company at the time of this assignment?—A. No, sir; I do not.

Q. Do you know whether they had retained any of the stock of the Union Pacific Railroad Company or not?—A. No, sir; they did not retain any of the old original stock.

Q. What is the difference between the old original stock of the Union Pacific Railroad Company and something else?—A. The old original stock consisted of thousand-dollar shares, subscriptions made by these different individuals before the organization was effected. That stock was all bought up by the Credit Mobilier, and new certificates of $100 shares were issued under the act of 1864.

Q. Were the $1,000 shares canceled and re-issued as $100 shares?—A. Yes, sir; ten shares for one.

Q. When was that done?—A. As fast as they were bought up.

Q. When the re-issue was made, were the certificates issued to the Credit Mobilier as a corporation, or were they issued to individuals?—A. They were issued to the Credit Mobilier as a corporation.

Q. And the stock is held, so far as you know, now by the Credit Mobilier of America?—A. No, sir.

Q. How is it?—A. The Credit Mobilier made a dividend of 6 per cent., payable in stock of the Union Pacific Railroad Company at 30, and it also sold Union Pacific Railroad stock.

Q. Can you give us the payments that were made from time to time in the shape of dividends or profits to the individual members of the

Credit Mobilier?—A. I have stated that these dividends were entirely out of my jurisdiction. They were in the hands of the seven trustees.

Q. You got the same dividend as the others got on your son's shares?—A. No, sir; not that I know of. I do not recollect anything about that.

Q. I thought you stated that yours was about the same as the rest?—A. No, sir, I do not recollect anything about it, because I paid no attention to it.

Q. Then you have no knowledge, either as auditor of the Union Pacific Railroad Company or as an officer of the Credit Mobilier, about the dividends made to the shareholders of that company?—A. No, sir.

Q. You were never connected in any way with the lettings of the work of the Union Pacific Railroad?—A. No, sir.

Q. Were you an auditor of the Union Pacific Railroad Company at the time of the contract with Oakes Ames in 1867?—A. Yes, sir.

Q. What contracts had been let before that date?—A. I had nothing to do with that part of the business.

Q. Do you know anything about it?—A. I do not.

Q. Was there any more than the one Hoxie contract?—A. That was the only contract which the company had made for building so many miles of road.

Q. Do you know, as a matter of your own knowledge, or from the statements of the directors of the Union Pacific Railroad Company, what inspections or surveys had been made of the line of road that was covered by the Ames contract prior to the letting to Mr. Ames?—A. No, sir; I had nothing to do with inspections or surveys.

Q. Who made the surveys and inspections on which the Union Pacific Railroad Company let that work to Oakes Ames?—A. General Dodge was chief engineer of the company.

Q. Are you able to state, from your own knowledge, that that survey was made throughout the entire line covered by the contract, and a report and estimate made?—A. No, sir; I do not know anything about it; I had nothing to do with it.

By the CHAIRMAN:

Q. Did the Credit Mobilier hold a majority of the stock of the Union Pacific Railroad Company at the time this contract with Oakes Ames was made?—A. No, sir; it did not.

Q. After the stock was re-issued to the Credit Mobilier, what was done with it by that company?—A. That company sold some of it to its stockholders, and then it divided some of it.

Q. Did it sell any of that stock to persons other than its own shareholders?—A. No, sir; not to my knowledge.

Q. Then the stock of the Union Pacific Railroad Company which was issued to the Credit Mobilier, as you have stated, was either sold to the stockholders or divided out among the stockholders of the Credit Mobilier as dividends?—A. Yes, sir.

Q. Did the Credit Mobilier hold any portion of that stock at the time the contract with Oakes Ames was made?—A. Yes, sir; it did.

Q. Can you tell about what proportion?—A. It held 1,970 shares at that time.

Q. And how many shares were there altogether at that time?—A. That I cannot state; our books do not show that.

Q. At that time, what percentage of the Union Pacific Railroad stock had been paid in in cash?—A. All had been paid in to the Union Pacific Railroad Company in cash. The charter did not allow them to issue stock in any other way except for cash.

Q. How much is the stock of the Union Pacific Railroad Company?—A. $36,000,000.

By Mr. SWANN:

Q. What amount of the stock had been issued at the time of the contract with Mr. Ames?—A. That is what I stated I did not know. I have not the Union Pacific Railroad books here.

WASHINGTON, D. C., *January* 14, 1873.

OAKES AMES sworn and examined.

By Mr. HOAR:

Question. What property has been paid over to the Union Pacific Railroad Company by the United States Government under the acts of 1862 and 1864, and other acts relating to that road?—Answer. We have been paid, I think, $16,000 a mile to the foot of the Rocky Mountains.

Q. How much in the aggregate?—A. About $27,000,000 of bonds in the whole.

Q. How much in value in land?—A. That is hard to say. I think we were voted twenty sections to the mile. The Government has given us about one-fourth of it, and withholds the other three-fourths.

Q. How many sections does that make?—A. We have got the land certified to us for 250 miles, at twenty sections to the mile. That would make 5,000 sections.

Q. And how much remains, as you understand, to be conveyed to you by the United States Government?—A. Three times as much.

Q. How much more in bonds?—A. No more in bonds.

Q. What is the amount of the first-mortgage bonds of the Union Pacific Railroad Company bonds prior to the lien of the United States?—A. The same amount as the Government bonds, about $27,000,000.

Q. What disposition has been made of those first-mortgage bonds?—A. They were used for the construction of the road—both classes of bonds.

Q. Were they used for the construction of the road as so much cash at any fixed cash value?—A. No, sir; I think not. I know that the first bonds which we got from the Government were sold at 92½.

Q. And you paid the cash which you received for the construction of the road?—A. Yes, sir.

Q. Then you received in cash about an average of 90 cents on the dollar?—A. More than that. The first bonds were sold at 92½, and we afterward got par for them.

Q. About what amount of cash did you realize from those Government bonds, according to your judgment?—A. I should think an average of 95 per cent.

Q. According to your best judgment, what did you realize in cash from those first-mortgage bonds?—A. I should think from 80 to 85 on the average.

Q. What does the property of the Union Pacific Railroad Company now consist of?—A. It consists of the railroad and its rolling stock, its machine-shops, machinery, and lands.

Q. How large an amount of the land given to it by the Government has been sold by the Union Pacific Railroad Company?—A. That I cannot tell you, but I think the company has sold about enough to come to about $2,000,000. We sold it on an average, I think, of about four

dollars an acre. But the land has been sold on long notes. I think we have canceled about $1,000,000 of the land-grant bonds. That is my impression.

Q. What property was paid over by the Union Pacific Railroad Company to the Credit Mobilier under its contract for building the road?—A. I do not know that any was.

Q. Was anything ever paid to the Credit Mobilier direct?—A. I do not think there was under my contract.

Q. Under any contract?—A. I do not know. The Credit Mobilier took the Hoxie contract, but that was before I had much to do with it. I was not a director in the company during his contract.

Q. But you were a leading stockholder in the Credit Mobilier?—A. I was one of the three or four largest stockholders.

Q. Give us your best judgment as to what was paid to the Credit Mobilier Company under the Hoxie contract, or any other contract, by the Union Pacific Railroad Company; what in value, and what the property consisted of.—A. Really, I do not know. I do not know that anything was paid to the Credit Mobilier, except these two dividends of 6 per cent. each.

Q. Did the Credit Mobilier execute the Hoxie contract?—A. I think it did assume it.

Q. For what distance was that contract to build the road?—A. I believe the first contract was to build a hundred miles of road, with a right to extend it to the hundredth meridian.

Q. How much a mile were they paid for that?—A. That I do not know. That contract was made before I had anything to do with it.

Q. Have you any information on the subject, either as stockholder or otherwise?—A. I think about $50,000 a mile was paid for part of it.

Q. Do you know how that was paid for, in cash or in bonds?—A. I suppose in cash. The capital paid in to the Credit Mobilier was used o build that road.

Q. I am speaking of how the property of the Union Pacific Railroad Company was disposed of. You think about $50,000 a mile was paid under the Hoxie contract?—A. Yes.

Q. For a hundred miles?—A. That I cannot tell you.

Q. Do you not know how much of the road was built under the Hoxie contract?—A. I think about two hundred and forty miles.

Q. And, according to your impression, the price would be about $50,000 a mile?—A. Yes; that is my impression.

Q. What sum was paid over under the Oakes Ames contract, by the Union Pacific Railroad Company?—A. The Union Pacific Railroad Company paid over $47,000,000 under that contract.

Q. Was that paid in cash?—A. In cash, or its equivalent.

Q. What do you mean by its equivalent?—A. Bonds and stock were sold to raise the money; we took the stock of the road at par; what money we did not get by the sale of the bonds we took in stock of the Union Pacific Railroad at par; that is my impression.

Q. Can you approximate the amount of every kind of property which was received from the Union Pacific Railroad Company in payment under the Oakes Ames contract?—A. No, sir; I cannot.

Q. Can you not approximate it?—A. No, sir; I assigned my contract to seven trustees, and these trustees kept the books and accounts.

Q. Were you yourself one of them?—A. No, sir.

Q. Who were the trustees?—A. Mr. Durant, Mr. Alley, Mr. Duff, Mr. Dillon, Mr. Bushnell, Mr. Bates, and Mr. Oliver Ames.

Q. You are unable to give us any information as to what kind o

property that $47,000,000 was made up of?—A. On 150 miles of the road which was built over the Rocky Mountains, we got $48,000 a mile in Government bonds, and $48,000 in first-mortgage bonds; from the termination of the Hoxie contract to the Rocky Mountains we were paid at the rate of $16,000 per mile in Government bonds, and $16,000 a mile in stock. What the bonds did not pay for we took in stock at par.

Q. But the amount of each you are unable to state?—A. I am, but it can be calculated in figures. After we passed the 150 miles, for which we got $48,000 a mile in Government bonds and $48,000 in first-mortgage bonds, we received for the rest of the way $32,000 a mile in Government bonds and $32,000 in stock and first-mortgage bonds.

Q. Were there any other contracts for constructing the road except those you have named, the Hoxie contract and the Oakes Ames contract?—A. Yes, sir.

Q. In which the Credit Mobilier had an interest?—A. No, sir, none others.

Q. What other contract was there?—A. At the end of my contract, there were two contracts made to finish the work to Salt Lake; one the Davis contract, and one the Boomer contract.

Q. Those were persons whom you had no connection with?—A. Yes, sir.

Q. Do you know how much was paid on those contracts?—A. No, sir; but it is my impression that the contractors lost money, although it did not cost nearly as much as the work we did.

Q. Whom do you mean by we?—A. We, the people who carried out the Oakes Ames contract.

Q. I was asking about the Boomer contract and the Davis contract.—A. The Boomer and Davis contracts were assigned to the same trustees as the Oakes Ames contract was assigned to.

Q. You are unable to state how much in cash was paid under those contracts?—A. I cannot tell you, but I believe those contracts were given up by the parties, and the work finished by the trustees as trustees.

Q. Can you tell the entire amount which the construction of the Union Pacific Railroad has cost the Union Pacific Railroad Company, including the equipment and the entire paraphernalia of the road?—A. I think about $60,000,000; that is my impression.

Q. That is an average of how much per mile?—A. Between $50,000 and $60,000 per mile. The length of the road is about ten hundred and fifty miles.

Q. Of which amount the company has received about $50,000,000 from the two classes of bonds?—A. Yes.

Q. How much of the stock was actually paid in in cash?—A. It was all paid in cash, or on account of construction, which is the same thing.

Q. What is the amount of the capital stock of the Union Pacific Railroad Company?—A. I think about $36,000,000.

Q. So that, if the company received $50,000,000 from the two classes of bonds and $36,000,000 in cash from the stock, that would make $86,000,000 which it had received, besides the land, against an expense of $60,000,000?—A. That is my impression.

Q. So that, in other words, the company would have $26,000,000 to show for its capital stock besides the lands which the Government has conveyed to it or is hereafter to convey to it?—A. Yes.

Q. State to the committee, as near as you can, what profit was made by the contractor on each of those contracts?—A. That I cannot tell you.

Q. Take the Oakes Ames contract first.—A. I think we made about 15 per cent. on the Oakes Ames contract.

Q. Fifteen per cent. on the whole sum?—A. Fifteen per cent. on $47,000,000.

Q. That is your best judgment of the matter?—A. Yes.

Q. That would be about $7,000,000 of profit?—A. I do not think it exceeded that in cash profit.

Q. Now, in reference to each of those other contracts, tell us, as far as your judgment goes, what profit was made by the contractor. Take the Hoxie contract first.—A. That I do not know. I do not think that there was much, if anything, made.

Q. You think there was no substantial profit made under the Hoxie contract?—A. No, sir; I think not. We labored under great disadvantages with it.

Q. Do you mean to say to the committee that your best judgment is that on the entire cost of constructing and equipping that road—about $60,000,000—the profit to the various persons who contracted to do it amounted to only about $7,000,000?—A. I think that would cover it—hardly as much as railroad contractors get in ordinary contracts.

Q. Are you a member of, or interested directly or indirectly in, an organization that has made a contract with the Union Pacific Railroad Company for furnishing coal?—A. No, sir; I am not a member of it any further than this, that the stockholders of the Union Pacific Railroad Company own nine-tenths of it, and it is for the benefit of the stockholders of the Union Pacific Railroad. The man who manages it owns the other one-tenth.

Q. Your interest in that contract, then, is merely as a stockholder in the Union Pacific Railroad Company?—A. Yes.

By the CHAIRMAN:

Q. Were the first-mortgage bonds of the company sold by the company, or were they taken by those trustees to whom your contract was assigned in payment for their contract; and if so, at what rate?—A. I think they were sold by the trustees.

Q. Then they were taken by the trustees in part payment of their contract?—A. That is my impression.

Q. Do you know at what rate the trustees sold these bonds?—A. At various rates, as the market would take them.

Q. Did they sell all of these bonds?—A. I think they made a dividend of some bonds once.

Q. Then the whole of the bonds were not sold by those trustees, but were in part divided out among whom?—A. There was a dividend made among the stockholders of the Union Pacific Railroad Company. A dividend was made to the parties who came into the agreement and made themselves personally liable in the Oakes Ames contract.

Q. But is it not a fact that before these parties could get any stock dividend it was necessary that they should be stockholders, not only in the Union Pacific Railroad Company, but in the Credit Mobilier?—A. That document (indicating) will show that exactly.

Q. When you say that these bonds were divided out as dividends among the stockholders of the Union Pacific Railroad Company, are you not in an error; was not the division made among the stockholders of the Credit Mobilier, and was it not simply a requisite that they should be stockholders in the Union Pacific Railroad Company in order to entitle them to participate in these dividends?—A. I do not know exactly whether that is so or not. I know that nobody could participate in

these dividends unless they signed this agreement to support the trustees and make themselves parties to the Oakes Ames contract.

Q. In other words, they required the stockholders of the Credit Mobilier to be stockholders of the Union Pacific Railroad Company, and that they should give an irrevocable proxy to those trustees to enable the trustees to vote on six-tenths of their stock in the Union Pacific Railroad Company?—A. There was such an agreement among the subscribers to the Oakes Ames contract.

Q. Then, when the dividends of stock were made, they were made among such shareholders of the Credit Mobilier as were also shareholders of the Union Pacific Railroad, and as had entered into such agreement. Is that the case?—A. I had to assign this contract, and nearly all the parties were participants in it. I took that contract without any regard to anybody else.

Q. Those who signed that agreement got dividends, and those who did not sign it did not get any dividends?—A. That is so.

Q. Were you not, on the 12th of December, 1867, the owner of 2,849 shares of the Union Pacific Railroad stock?—A. I cannot tell you.

Q. Were you not at that time the owner of 1,955 shares of Credit Mobilier stock?—A. That is about the amount that I owned.

Q. Did you not on that day receive a dividend of $117,300 in first-mortgage bonds of the Union Pacific Railroad Company, and a like dividend of $117,300 in stock of the Union Pacific Railroad Company?—A. It is my impression that that was in January, 1868.

Q. Did you not, on the 3d of January, 1868, receive a dividend in first-mortgage bonds of the Union Pacific Railroad Company, of $39,100, as the holder of 1,955 shares of Credit Mobilier stock?—A. It is very likely. I cannot recollect the amount of bonds or the date, but I received my dividends regularly.

Q. It is a fact, then, that dividends of the first-mortgage bonds and of the stock of the Union Pacific Railroad Company were made to the holders of the Credit Mobilier stock, but the amounts you are not now able to state?—A. That was the way we fixed it.

Q. Then, you do not mean to be understood as saying that these bonds were sold by the Union Pacific Railroad Company, but you mean to say that the bonds and stock of the Union Pacific Railroad Company were turned over to these trustees, and that they either sold them or distributed them?—A. That is my idea.

Q. Do you know the rate at which these bonds were taken by these trustees from the Union Pacific Railroad Company, on account of this contract?—A. No; I cannot say. The contract will tell, I believe.

By Mr. HOAR:

Q. Is the Union Pacific Railroad Company now paying any dividends out of its earnings by transportation?—A. No, sir.

Q. Suppose it was to receive pay for all its business, (leaving out any right of the United States to retain any part, for any purpose,) would it earn anything beyond its running expenses, and, if so, how much?—A. It earned, last year, nearly enough to pay the interest on its first-mortgage bonds, on its land-grant bonds, and on its income-bonds. There are $10,000,000 of income-bonds.

Q. The United States Government making the deduction or not?—A. The United States Government making the deduction of one-half. The company did not earn quite enough, I think, to do this.

Q. Explain about these income-bonds.—A. These income-bonds were issued after the road was completed, in order to furnish it with rolling-stock.

Q. Those bonds are subordinate to the United States claim?—A. Yes, sir.

Q. By whom are those bonds held?—A. By various parties. They were sold in order to raise money.

Q. What did you get for them?—A. We got 80 for them. They are 10 per cent. bonds. They were selling at 83 last week.

Q. I want to get at the nature and character of the Government security, if I can. Suppose the Union Pacific Railroad Company were to receive pay for all its business, (leaving out now the right of the Government to make a deduction on the work done for it,) what profit, in your judgment, would the company make, over and above its running expenses and the interest on its bonds?—A. I think the net proceeds last year were about $3,500,000 over and above running expenses. That would about pay the interest on the first-mortgage bonds and the other bonds. The interest on the first-mortgage bonds is 6 per cent., in gold, on the land-grant bonds 7 per cent., and on the income-bonds 10 per cent. Up to this time we have not replaced much of our iron. The iron is getting worn out. We have got to work economically in order to meet our interest.

Q. Has the road been kept up in good repair?—A. Yes, sir; in very good repair.

By Mr. SWANN:

Q. Were you connected with railroads before you were connected with the Credit Mobilier?—A. Yes, sir; I had been building railroads in Iowa since 1856.

Q. That has been your profession pretty much?—A. No, sir; I am a shovel-maker.

Q. When you took this contract did you not remark at various times that the stock of the Credit Mobilier would be immensely valuable, far beyond the 15 per cent. which you thought would be the profit of the contract?—A. After this contract was made, and after we found the easy grade over the Rocky Mountains, I thought we would make a good deal of money.

Q. In your conversations with members of Congress, did you not hold out the expectation that it would be an immensely profitable thing?—A. Yes, sir; I thought it would be a profitable thing.

Q. Can you state what the stockholders in this Credit Mobilier have received from first to last on their interest in this concern?—A. I cannot tell you without referring to my books.

Q. Can you not approximate it?—A. I should think we have made 300 per cent.

Q. You do not think it has gone beyond 300 per cent.?—A. I do not know. That depends upon the value of what we have got.

Q. At the time you went into this contract, had you the estimates of the engineer of the probable cost of the whole line for which you contracted?—A. I looked them over.

Q. You had the estimates before you?—A. Yes, sir.

Q. What did these estimates amount to per mile?—A. I cannot recollect. I thought I should make about 20 per cent. profit.

Q. I want to know the estimate of the engineer.—A. I cannot recollect.

Q. Had you no paper or report?—A. I presume I looked them over, but it is a good while ago, and I cannot recollect figures very accurately. I supposed I should make about 20 per cent. on the contract.

Q. I want to get at the estimates of the engineer.—A. I cannot tell you what the estimates were.

Q. Would you go into a contract of some forty millions of dollars without knowing how you stood?—A. I suppose I knew at the time, but I cannot recollect the estimates now. I estimated that I should make 20 per cent.

Q. I want to know the engineer's estimates.—A. Take 20 per cent. from that, and the engineer's estimate would be about $37,000,000.

Q. Have you in your possession now the report of the engineer?—A. I examined it in the office of the Union Pacific Railroad Company.

Q. Can you produce that paper?—A. I do not know whether I can or not.

Q. It would be very satisfactory to the committee if you could produce it, because it is the only way we can estimate the profit which you have derived from the contract. What I want to know is the estimate of the engineer of the cost per mile of the construction of that road.—A. It would vary all the time. I will try to find it.

Q. Do you recollect having ever said that it was not the profits which you expected to derive from the construction of this road that influenced you, but that it was from a motive of patriotism that you threw yourself into the field to engineer and carry out this great enterprise?—A. I never thought that, and I do not think I ever said it. Did you ever hear me?

Q. No, sir; I ask you the question.—A. I do not think I ever said it.

By the CHAIRMAN:

Q. I understood you to say that the profits of the Credit Mobilier were about 300 per cent. in dividends.—A. Yes, sir, on that $3,750,000. It will depend on what we get for the stock. I have held my stock. I want to see the road through, and to keep the control of it until I get it right. If the stock falls during the month as it has gone down for some days past, the dividends would not amount to much.

Q. By your influence and power as a capitalist in the community in which you move, how much money do you suppose you raised for the construction of the road?—A. I cannot tell you. I got a good many people to go in by my influence and by guaranteeing them against loss. I took a large amount of stock myself alone and some in connection with others. My brother took a large amount.

Q. Was it your habit to guarantee parties against loss, and did you bring them in in that way?—A. Yes, sir, lots of them.

Q. Did you guarantee those members of Congress who came in?—A. I guaranteed Senator Grimes 10 per cent. on his money. I guaranteed Mr. Adams and I offered to guarantee Mr. Hooper. He thought first that he would take it, and afterward he thought that he would not. I also guaranteed several other parties. People thought I was crazy to make such contracts and to go into such an enterprise. Governor Washburn, of Massachusetts, came to me before I took that contract, and offered to loan me $50,000, which they had at the Greenfield Savings Bank. I asked him what security they wanted. He said, "What security can you give?" I mentioned my brother and other names. I also gave him $50,000 in stock as collateral. Immediately after I took that contract he called on me to pay back the loan at a time when it was inconvenient to pay it back. He said that the contract was a reckless thing, and that he would not consent that I should have the money; that the directors said they would not trust a man who would take such a contract. That is the way the thing was looked upon.

By Mr. SWANN:

Q. How did you induce these large capitalists to come in?—A. I took them in before I took this large contract.

Q. Were they disposed to "fly the track" when they found that it was not going to be profitable?—A. After we found an easy path over the Rocky Mountains we knew that the contract would be profitable.

Q. Did you not state that it was going to be an immensely profitable contract?—A. The last part of the time I did—after we found this easy grade over the mountains. Previous to that I had my doubts about it. Still I thought it would be a fair investment. I thought it was a good contract to take, and supposed I was going to make 20 per cent. on it. But I cannot carry the data in my mind for half a dozen years. I will try to get you the report of the engineer, if that will satisfy you.

By Mr. HOAR:

Q. How do you reconcile the st[illegible]t which you made just now that the Credit Mobilier made 300 per [illegible]n $3,750,000, which would be over $11,000,000, with your answer to me that you thought the entire profit made out of this contract was only about $7,000,000?—A. If I could sit down and figure it up, I could get nearer to it. These are round guesses.

Mr. HOAR. I thought that that was something of a discrepancy even for round guesses.

The WITNESS. I suppose there would be some profit out of the Hoxie contract; I do not know.

Q. What is your present judgment?—A. My present judgment is that we made some $8,000,000 or $9,000,000 on the Oakes Ames contract.

Q. The Credit Mobilier profit alone would have amounted to over $11,000,000 if they made 300 per cent.?—A. Part of it came out of Credit Mobilier stock, which is not now worth 25 cents on the dollar. Its capital has been worked up on these contracts.

Q. Do you mean that, in addition to the original par value of the stock, there was a profit of over $11,000,000, or do you mean that the stock became worth 300 per cent., which would make a profit of 200 per cent.?—A. I think the profit was more than 200 per cent. I think it must have been 300 per cent., but I cannot tell you from memory.

The committee adjourned to 15th January, at half past 10.

WASHINGTON, D. C., *January* 15, 1873.

The committee met at half past 10. Present, the chairman, Messrs. Hoar, Shellabarger, Swann, and Slocum.

HENRY C. CRANE sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. At Yonkers, Westchester County, New York.

Q. Have you been at any time an officer in the corporation known as the Credit Mobilier of America?—A. From the time of the removal of the company's agency from Philadelphia to New York until May, 1867, I was assistant treasurer. I cannot tell the date that I commenced, but it was after that time it came to New York. I should say it was in 1864.

Q. Were you then, and are you now, a stockholder in the Credit

Mobilier?—A. I was not at that time. I became a stockholder by purchase a year after that, perhaps.

Q. Are you a stockholder now?—A. Yes, sir.

Q. Where was the office of the Credit Mobilier kept during the time you were an officer?—A. What was called the New York agency was kept part of the time at 20 Nassau street and part of the time at 13 William street.

Q. Were you at that time an officer of the Union Pacific Railroad Company?—A. No, sir; I never was an officer of that company. I was a director for a very short time.

Q. Were you a director of the Union Pacific Railroad Company at the time you were an officer in the Credit Mobilier?—A. I think not.

Q. Where were the offices of these two corporations kept in New York with reference to each other?—A. They were both together, in the same office.

Q. Who were the stockholders in the Credit Mobilier at the time the Oakes Ames contract was made, on the 16th August, 1867?—A. I think I have a list here which comprises all the stockholders at that time.

Q. Who were the officers of both of those corporations at the time that contract was made?—A. I cannot give you the officers of the Union Pacific Railroad Company. The officers of the Credit Mobilier were: Thomas C. Durant, president; Oliver W. Barnes, treasurer; myself, assistant treasurer, and B. F. Bunker, assistant secretary.

Q. Do you recollect whether either of them were at that time officers in the Union Pacific Railroad Company?—A. I think that Mr. Durant was.

Q. As to the others you cannot say?—A. I know that Mr. Barnes and Mr. Bunker were not.

Q. Now give the names of the stockholders of the Credit Mobilier at that time, the amount of stock which each one held; and, if any of them held Union Pacific stock, state the amount of such stock which each one held.—A. I believe that this printed list here is a full list of the stockholders of the Credit Mobilier, and also shows the number of shares which they held in the Union Pacific Company at that time. It is certified by a commissioner named Gill, having been compared with the original.

Q. Look at pages 1, 2, 3, and 4 of this document, and state whether or not they show the stockholders of the Credit Mobilier at that time, all of them; and the dividends that were made at the time indicated thereon; and if the name of any stockholder is omitted, state who it is, and the amount of stock owned by him.—A. I think it very likely that these one hundred shares of stock in the name of Anna M. Dodge may not have been transferred to her at the time the list was made. Aside from that, this list I think to be correct, showing the names of stockholders in the Credit Mobilier, the amount of stock they held, the amount of stock which they held in the Union Pacific Railroad Company at that time, and the dividends received at that time.

Q. Look at pages 6, 7, and 8, and state what they show, and whether or not it is correct, according to the best of your knowledge.—A. I have not looked over the list, but I suppose it to be correct.

Q. State whether pages 9, 10, and 11 show another dividend.—A. They purport to be another list of stockholders, with the dividends made to them at that time. I suppose it to be correct, although I have not footed the columns.

Q. Look at pages 2, 4, 5, and 6, and state whether they show another dividend to the stockholders.—A. It purports to be a dividend made on 8th July, 1868, in cash, to the same parties.

Q. Look at pages 27–29.—A. That purports to be the same thing—a dividend made in stock on July 3, 1868. The cash dividend was on July 8.

Q. Look at pages 30–32.—A. That purports to be the same thing—a dividend in stock on December 29, 1868.

Q. Do you think these are correct?—A. I suppose so. I have not compared them.

(The lists referred to by the witness are appended to this testimony.)

Q. Were you at any time connected with the board of trustees of the stockholders of the Credit Mobilier?—A. No, sir.

Q. You were not an officer of that board?—A. No, sir.

Q. Do you know where the business of that board of trustees was transacted?—A. There never was a board of trustees of the Credit Mobilier. There were trustees of the Ames contract.

Q. We are referring to the same thing. Was the business of that board at any time transacted in the city of New York?—A. Yes.

Q. Where did they hold their meetings?—A. At 20 Nassau street.

Q. At the same place where the Union Pacific Railroad Company and the Credit Mobilier had their offices?—A. Yes.

Q. How many dividends, in all, were declared by that board of trustees?—A. They made four what they called dividends and two what they called allotments.

Q. What is the distinction between dividends and allotments?—A. I think that with the allotments there was an agreement that, in case the trustees required any money to finish the contract, these parties were to return it to them.

Q. Which of these are dividends and which are allotments?—A. The first four are dividends.

Q. Have you any books or papers showing the records of the trustees at the time these dividends and allotments were made?—A. I have not.

Q. Who has them?—A. Mr. Durant has copies of the books.

Q. Have you any books or papers showing what action was taken by the stockholders of the Credit Mobilier with reference to the Ames contract, indorsing it, or sanctioning it, or ratifying it?—A. I have got no books or papers myself. Thomas C. Durant has copies of them. The originals I did have; but I returned them to the chairman of the trustees.

Q. Who is Anna M. Dodge?—A. The wife of General Grenville M. Dodge.

Q. Was the husband of Anna M. Dodge connected in any way with the Union Pacific Railroad?—A. He was the chief engineer.

Q. Was he the chief engineer from the commencement of the survey and construction of the road?—A. I think he was chief engineer from the very start to the conclusion.

Q. Do you know what the construction of the Union Pacific Railroad cost the railroad company?—A. I do not.

Q. Do you know what its construction cost these trustees under the Ames contract, so far as that contract was concerned?—A. I do not.

By Mr. HOAR:

Q. Were you treasurer of any company or association having a contract or interest in a contract with the Union Pacific Railroad Company, and if so, what was it, and at what time?—A. After the removal of the Credit Mobilier to New York, and until May, 1867, I was assistant treasurer of that corporation. When the Oakes Ames contract was made and assigned to the trustees, I was made secretary and assistant treasurer to the board of trustees.

Q. Give as nearly as you can the dates of the events.—A. My idea is that it was some time in the winter of 1864–'65 that the Credit Mobilier came to New York. In May, 1867, my connection with it ceased. In October, 1867, the time of making the Oakes Ames contract, I was made assistant secretary and treasurer of the trustees of the Oakes Ames contract.

By the CHAIRMAN:

Q. In making settlements and receiving payments from the Union Pacific Railroad Company under this Oakes Ames contract, in what way were the payments made; were they made in cash or in bonds?—A. In cash.

Q. Did the Union Pacific Railroad Company pay the cash?—A. It paid the cash.

Q. Did the trustees get any bonds or stock of the Union Pacific Railroad Company?—A. They bought bonds and stock of the Union Pacific Railroad Company.

Q. Explain how that thing was done.—A. At meetings of the trustees there were resolutions passed to purchase of the Union Pacific Railroad Company so many thousand dollars of bonds. We paid them for their bonds at whatever price was authorized by the resolution, and we received from the Union Pacific Railroad Company a check on account of the contract.

Q. Then it was only cash in form, and not in fact?—A. That is the fact.

Q. Then it was done in this way: when you came to receive a payment you bought the bonds?—A. Yes, sir.

Q. Who bought the bonds?—A. The trustees.

Q. At what rate?—A. I do not recollect. The resolution will tell and the trustees' books will tell.

Q. Then the trustees afterward sold the bonds?—A. No. I do not think they sold them. I think they divided them; turned them over as profit to the stockholders. The trustees, I think, never sold bonds at all. All the bonds that they parted with, as far as I know, were turned over to their stockholders as allotments or dividends.

Q. What class of bonds are you referring to?—A. To the first-mortgage bonds of the Union Pacific Railroad.

Q. What was done with the Government bonds?—A. We never had them at all. The Union Pacific Railroad Company sold the Government bonds itself. We had nothing to do with them.

Q. Did the trustees receive payment from the Union Pacific Railroad Company in cash?—A. Yes. They did not receive anything but what they received in cash. If they bought anything from the Union Pacific Railroad Company they paid for it; it was not on account of the contract. The Union Pacific Railroad Company never paid the trustees any bonds on account of the contract, but they paid the money, and the trustees bought bonds of the Union Pacific Railroad Company with the same money.

Q. Then, in other words, it amounts to this, that the trustees bought the bonds of the Union Pacific Railroad Company for cash?—A. Yes.

Q. And when the Union Pacific Railroad Company paid the trustees for work done under the Oakes Ames contract it paid money?—A. Yes, sir.

Q. Were these transactions contemporaneous?—A. Sometimes I think they were, and sometimes not. The books will show the whole of these

transactions. I do not pretend to carry them in my head. The books are right.

Q. What books should we go to to find out these transactions?—A. You want to see the books of the trustees of the Ames contract. They kept a set of books which show the whole of the transactions. They kept a record-book, the same as every corporation does, in which their resolutions and proceedings were entered, and their regular books show the regular mercantile transactions, what they bought and what they paid for it, where they got the money, and all about it.

Q. State, according to the best of your judgment and information, what was the profit made by the contractors on each of the contracts to which you have referred.—A. I may as well state that, at the time that the Union Pacific Railroad office was moved to Boston, the trustees moved their office and took their papers there also, and I had no connection with them afterward. The business of the trustees and all the business of the Union Pacific Railroad Company was done in Boston. I did not go there. I remained in New York, and knew nothing of their transactions. Consequently I am unable to tell you what the road cost or anything about it.

Q. Then when the Union Pacific office was removed to Boston the office of the trustees was also removed to Boston?—A. Yes.

Q. Do you know whether they were kept in the same place?—A. I think they were.

Q. Give your best information as to the profits made.—A. I really have no way to judge anything about it. There was never any calculation made, to my knowledge, of the net proceeds of the contract. If it was, it was made after the books went out of my hands.

Mr. SLOCUM. You know what dividends were made?

The WITNESS. Yes. The first dividend, made in December, 1867, was 60 per cent. in stock and 60 per cent. in bonds of the Union Pacific Railroad Company. Then, on January 3, 1868, a dividend of 20 per cent. in bonds. In June, 1868, they made a dividend of 40 per cent. in Union Pacific stock and of 60 per cent. in cash. In July, 1868, they made a dividend of 75 per cent. in bonds of the Union Pacific Railroad stock. On July 8, 1868, they made a dividend of 30 per cent. in cash. In December, 1868, they made a dividend of 200 per cent. in Union Pacific Railroad stock.

By the CHAIRMAN:

Q. State whether those dividends represented profits on any contract; and, if so, on what.—A. We had monthly statements made by the chief engineer of the Union Pacific Railroad Company which showed what was due on the contract. From that total we deducted the money which had been paid to the trustees by the Union Pacific Railroad Company, and we declared dividends accordingly.

Q. State whether or not those dividends represented the profits on those contracts.—A. I cannot tell you whether they did or not.

Q. Had the trustees any other source of revenue than that?—A. No, sir.

Q. Was there any source from which they derived money, stocks, or bonds other than on this contract?—A. They did nothing but build the Pacific Road.

By Mr. SLOCUM:

Q. The capital stock was $3,750,000; did the trustees put that money in?—A. No, sir; the trustees had nothing to do with that. The Credit Mobilier was an entirely distinct organization and had nothing at all to do

with the Ames contract. The tripartite agreement shows the interest of the Credit Mobilier in that enterprise.

By the CHAIRMAN:

Q. What was the value of these bonds and stocks at the respective dates you have given when these dividends were made?—A. I should say that the bonds were between 80 and 90. I know that the first bonds sold to the Credit Mobilier by the Union Pacific Railroad Company were sold at 85. I think they were the first bonds that were parted with by the Union Pacific Railroad Company. After that they were selling by the company, through its agents, as high as par at different times.

Q. What was the stock worth?—A. I do not know. It had not been placed upon the stock exchange at all. I think it was valued at from 20 to 40 and all sorts of prices.

The committee here took a recess until 2 o'clock. Upon re-assembling the examination of the witness was continued as follows:

By the CHAIRMAN:

Q. Have you examined the books of the Credit Mobilier produced here by Mr. Ham; and, if so, is there anything in these books from which it can be now ascertained who are the present holders of the Credit Mobilier stock?—A. The stock-ledger will show in whose names the stock of the Credit Mobilier now stands.

Q. Is there any other book from which that can be ascertained?—A. No, sir.

Q. Was the stock of the Credit Mobilier increased at any time; and, if so, when?—A. I can tell by looking at the records. (After referring to the books.) The stock was increased from 25,000 to 37,500 shares, representing $3,750,000. I think it was increased in January, 1867. The resolution is dated on the 26th, but it was not all taken up until some time afterward. It was a 50 per cent. increase.

Q. What disposition was made of that increase of stock?—A. It was disposed of to the parties already interested. They had the option to increase their interest in the concern 50 per cent.

Q. Were no other persons than those already interested in it permitted to take any of this increased stock?—A. They had no right to it. I think there was one case in which one man was allowed to come in afterward.

Q. Do you recollect who that was?—A. It was Mr. Neilson. He got fifty shares.

Q. When did he come in?—A. He took the certificate on the 11th of March, 1868.

Q. For what consideration was this additional stock issued?—A. For every ten shares of stock subscribed and paid for they had one bond of the Union Pacific Railroad.

Q. I mean what consideration did the Credit Mobilier get?—A. It got the money.

Q. Then these persons who got this additional stock paid the par value of the stock to the Credit Mobilier?—A. Yes, sir; that is it.

Q. When the additional stock was issued to Mr. Neilson was the money paid for it?—A. Yes, sir. It seems that he got a dividend upon it before that. He paid interest on the $5,000 from the time it should have been paid until the time it was paid, and he collected back dividends on it.

By Mr. SHELLABARGER:

Q. He took his stock at a certain date?—A. Yes.

Q. And there were back dividends to which that stock was entitled?—A. Yes.

Q. And these back dividends he drew?—A. Yes; and he was charged the interest on the $5,000 from the time it should have been paid until the time it was paid.

By the CHAIRMAN:

Q. Had there been dividends declared by the Credit Mobilier before the capital stock was increased?—A. I think that a 6 per cent. dividend was declared before that, but I am not certain about that.

Q. Was there not a 12 per cent. dividend declared?—A. There were two 6 per cent. dividends declared at the same time, making 12 per cent., and covering two years.

Q. Was this increase of stock after the dividend was declared?—A. That dividend of 12 per cent.—the two 6 per cents.—was declared on December 28, 1868.

Q. Then that 12 per cent. dividend was declared on $3,750,000 of stock?—A. Yes, sir.

Q. Had there been any allotments or dividends on the increased stock before the 12 per cent. dividend?—A. None other than that the subscribers to the increased capital stock got for every ten shares of stock they took a bonus of a $1,000 bond. They did not call it a dividend.

Q. When did they become entitled to this bonus?—A. Whenever they paid the money for the new stock. That was part and parcel of the arrangement for the increase of the capital.

Q. That is, a man became entitled to $1,000 in stock and got at the same time a bond of $1,000, but he had to pay in that $1,000 in payment for his stock?—A. Yes; he paid the Credit Mobilier $1,000 and got his new stock, and then he got a $1,000 first-mortgage bond.

Q. How nearly was the Oakes Ames contract completed at the time of this increase of capital stock?—A. I think the contract was completed in 1869; the increase was made in 1868.

Q. Was it understood at the time of that increase that there were to be large profits on this Oakes Ames contract?—A. I do not think it was, because it was with some difficulty that they got the stock placed. They did not take it very sharply.

By Mr. SWANN:

Q. What was the pressing necessity for that increase of stock?—A. I suppose it was in order to raise the money for the Union Pacific Railroad Company. They were not selling their bonds, and this placed money in their vaults,

Q. They wanted the money to construct the road?—A. Yes.

Q. And not to make dividends?—A. No, sir.

By the CHAIRMAN:

Q. I see in looking at this list of stockholders that Sidney Dillon, president, appears as the holder of four hundred shares of the Credit Mobilier stock and five hundred and ninety-eight shares of the Union Pacific Railroad stock. In what way did he hold that stock?—A. That belonged to the company. He received that stock by transfer from Thomas C. Durant. It was transferred to him as president.

Q. W. F. Day, cashier, appears to have been the holder of one hundred shares in trust. On whose account did he hold that?—A. I do not know. I can tell where he got it from.

Q. Elizabeth Hazzard appears to be the holder of thirteen shares in

trust.—A. That was for relatives of Mr. Hazzard, one of the other stockholders.

Q. Josiah Bardwell appears as the holder of three hundred shares in trust.—A. I do not know for whom he held it. I think it was for a Mrs. Nourse, some lady-friend of his.

Q. You are down on this list as the holder of sixty shares in trust.—A. Yes.

Q. For whom was that held?—A. I do not recollect now. I held stock for Mr. Thomas C. Durant in trust, and I held some for Mrs. Clarissa C. Cooke.

Q. Oakes Ames seems to have been the holder of ninety-three shares in trust. Do you know for whom he held them?—A. I do not know anything about it.

Q. On the 17th of June, 1868, as appears by the list of dividends declared on that day, Oakes Ames appears to have been the holder, as trustee, of three hundred and forty-three shares of this Credit Mobilier stock. Do you know from what source he derived those three hundred and forty-three shares.—A. The books will tell. I think that stock was transferred to his name from Mr. Dillon's name.

Q. Please look at the books and see how that stock came into Oakes Ames's hands.—A. He received thirty shares as trustee on 8th January, 1868, from Sidney Dillon, president, and he received on 20th January, 1868, two hundred and twenty shares. These, with the ninety-three shares which he received before, made the three hundred and forty-three shares.

Q. Do you know for whom he held that stock?—A. I do not know anything about it.

Q. Or on what account?—A. I know nothing about it.

By Mr. SHELLABARGER:

Q. Were you then connected with the company?—A. No, sir, I think not. I was in New York in 1867, and this was in May, 1868, in Boston.

By Mr. SWANN:

Q. Do you know whether this stock was purchased in the market and at what rate?—A. I know nothing about it, except that the books will show what he paid for it.

Q. Tell us that.—A. (After examining books.) He paid par and six months' interest at 7 per cent. for these two hundred and fifty additional shares on January 8 and January 30, 1868.

Q. Look and see whether that was not stock that was held by the Credit Mobilier and transferred to him?—A. No, sir, because the transfer shows that it was stock held in the name of Sidney Dillon, which he had received from Thomas C. Durant, and which Mr. Dillon transferred to Mr. Ames. The entry is that the company received from Oakes Ames $3,000 for thirty shares of stock and $105 in interest. There are ten shares on the 31st of January, thirty on the 21st, and one hundred and eighty on the 7th of February, paid for with six months' interest. That makes two hundred and twenty shares. That, with the thirty shares and the ninety-three shares, makes the three hundred and forty-three shares which Mr. Oakes Ames held in trust.

Q. From whom did Anna M. Dodge receive the stock which she holds?—A. The entry of it is: "29th February, 1868, capital stock, Anna M. Dodge, certificate No. 372, for 100 shares." There would be no transfer on that if it is new stock; and from its not having been transferred I should say that it was new stock—some that the company

had on hand. If the money had not been paid to the company for it, the entry would not have been there.

Q. Did she receive any dividends on that stock pursuant to the dividend declared on the 27th of December, 1867?—A. (After referring to the book.) I do not think she did; she does not seem to be on the list.

Q. Were you connected with the board of trustees at the time that Anna M. Dodge got her stock?—A. Yes.

Q. Do you know who paid for the stock of Anna M. Dodge?—A. I do not know anything about it.

Q. Do you know anything of the transaction personally?—A. I know nothing about it, except what I see here about it in this book.

Q. Do you know where she lived at that time?—A. I think she lived at Council Bluffs, Iowa.

Q. Where was the subscription for this stock made?—A. The books were kept in Boston.

Q. Was her husband frequently in Boston and New York?—A. I suppose very likely. I do not know. I have seen him in New York.

Q. Where did he make his reports as engineer?—A. At the office of the company in New York when it was there, and in Boston after it was removed there.

The examination of the witness was here suspended, in order to allow of the examination of another witness, Cornelius S. Bushnell.

WASHINGTON, D. C., *January* 15, 1873.

CORNELIUS S. BUSHNELL sworn and examined.

By Mr. SHELLABARGER:

Question. State your residence.—Answer. New Haven, Connecticut.

Q. What relation do you sustain to the Union Pacific Railroad Company?—A. I was originally a corporator in the bill of 1862. I went to Chicago with the other corporators and helped to organize the company. In 1863 I was appointed on a committee to procure the first two millions subscription, necessary to organize the stockholders' company. I procured over two millions of subscription on my book. I was in the organization of the stockholders' company, at the election of the first board of directors. I was elected a member of the first board of directors and have been elected a member every year since, and on the executive committee every year until the last.

Q. Who were the first directors that were elected?—A. John J. Cisco, Thomas C. Durant, General Dix, Charles A. Lambard, George F. Black, E. W. Dunham, E. T. H. Gibson, Pickering Clark, J. F. D. Lanier, A. J. Jerome, A. A. Low, George F. M. Davis, August Belmont, L. C. Clark, Charles Tuttle, Henry D. Poor, George Griswold, J. V. L. Pruyn, E. H. Rosekranz, W. P. Ogden, J. F. Tracy, Nathaniel Thayer, Jos. H. Scranton, J. Edgar Thompson, Ebenezer Cook, John E. Henry, Aug. Koontz, John J. Blair, S. C. Pomeroy, and Henry S. McComb.

Q. Now proceed in your own way and give, as fully as you can, the history of the transactions of the company from that time forward toward the letting and construction of the road.—A. That board of directors met and formed a set of by-laws which have remained essentially the by-laws ever since. General Dix was elected as president and Mr. Cisco treasurer. An executive committee, of which I was one, was appointed, and also other committees. Doctor Durant and myself were appointed a committee to come to Washington and procure addi-

tional legislation, so that we could go on with the construction of the road. We came early in the session of 1863, and remained throughout that long session almost constantly in attendance. Our efforts resulted in the legislation of 1864, which is known to you all. As soon as we procured that legislation we commenced the construction of the road, under an engineer by the name of Henry.

Q. Describe how you commenced the construction; what extent of line you surveyed; from what point and to what point.—A. Just as soon as we secured subscriptions for two millions, Dr. Durant and myself sent Prof. Dodge on to the proposed line of the Pacific Railroad to see if coal could be found. We had decided in our own minds that unless coal could be found we would go no further with the enterprise. He came back and reported to us that coal in abundance could be found west of the Rocky Mountains. We then appointed an engineer force to go on the line of the road and make preliminary surveys. We changed the line that was first located direct west from Omaha over the hills, and took rather a circuitous line south from Omaha, where we finally built the road. Mr. Durant and myself, and a few friends who were associated with us, went just as far as our means and our credit would go in the construction of the road in the year 1864. We found at the close of that year that in order to make any kind of progress we had to get in more aid. We made the most vigorous efforts with capitalists in New York to induce them to go into the enterprise. No one would do it individually, as we were doing it. We made a contract with Mr. Hoxie to build a hundred miles, which contract was afterward extended to the hundredth meridian.

Q. Where was the eastern end of Hoxie's contract?—A. At Omaha.

Q. State what surveys were made before the letting to Hoxie and by whom.—A. Surveys were made by Engineer Henry.

Q. What was the character of his surveys; were they complete surveys, with profiles?—A. Everything perfect, with estimates and everything.

Q. What length of line did he survey and report?—A. I think the first 100 miles.

Q. And then there was a letting?—A. Yes.

Q. That letting was made on the report of the engineer, Henry?—A. Yes.

Q. Was it a public letting, for which bids were advertised?—A. Mr. Durant was appointed a committee to let the road. The details of that I cannot tell. I sanctioned the letting.

Q. Can you state the rate at which it was let to Hoxie?—A. My memory is, about $50,000 per mile.

Q. The Hoxie contract was afterward extended to the hundredth meridian?—A. Yes.

Q. How much did that extension add to the length of the Hoxie contract?—A. It made two hundred and forty-odd miles, I think.

Q. Was there a second letting to Hoxie after he had taken his first contract for a hundred miles?—A. No, sir; there was only one letting to Hoxie. He could not move without funds, and Dr. Durant and myself guaranteed him funds to the extent of our abilities, and when he got as far as he could it was found absolutely necessary to get in more capital that would not come in under personal responsibility. The result was the organization of the Credit Mobilier. I had bought a charter myself in Connecticut, but we afterward decided to take a charter passed by the Pennsylvania legislature, in which there was no personal liability beyond the capital stock. The sole object was to bring in more capital,

and we could not bring it in with personal liability. Hoxie assigned his contract to the Credit Mobilier. After the most persevering efforts we increased the capital to two and a half millions. We came to Mr. Ames and got him to take a large amount of the stock. This was in 1865. We had gone on one year and had done our best. The next year we got Mr. Ames to take hold, but we soon used up all the money that he put in. We then got Mr. Ames to intercede with his friends, and he got in Oliver Ames, his brother, and various other parties, and we increased the capital stock that was finally paid in to two and one-half millions. By the superhuman efforts almost of Mr. Ames with all his friends we got the capital up to two and one-half millions, and went through 1865 and 1866, and carried the road out to the hundredth meridian and completed it and had a grand excursion, in which there were, I think, 150 people. All this was prior to getting any road across Iowa, and we had to get our iron up the Missouri River on boats, and had to get our ties with great difficulty from everywhere.

Q. State the date of the assignment to the Credit Mobilier of the Hoxie contract.—A. The record shows that. It was just about the time that we got in these new parties—late in 1864 or early in 1865.

Q. At what rate per mile was the rest of the contract taken by Hoxie up to the hundredth meridian?—A. The record shows that. As nearly as I can recollect it was $50,000 a mile for the whole of it. If not that, it was a little less than $50,000.

Q. How was he to be paid for his work?—A. He was to be paid in certain securities in the road, I think; a certain amount in cash and a certain amount in securities.

Q. Do you recollect what you received from the Government of the United States for this part of the road?—A. Sixteen thousand dollars a mile of Government bonds and twenty sections of land.

Q. Go on with your narrative.—A. I have got to the time of the excursion in 1865. We had then used up all the Government bonds, and we had hypothecated three or four millions of the first-mortgage bonds of the company; and many of our people were seriously discouraged. We had meeting after meeting to discuss what course we should take and how we should go on with the road. It all culminated in a meeting at the Fifth Avenue Hotel in New York, in December, 1866, or January, 1867, in which we decided that we would increase the capital stock of the Credit Mobilier $1,250,000, giving to the holders of old stock 50 per cent. dividends in first-mortgage bonds.

Q. At that time the Credit Mobilier had no relation with the Union Pacific Railroad except to lend it money? It had no contract to construct the road or anything of that kind?—A. No, sir. The Credit Mobilier had no contract then for the construction of the road.

By Mr. HOAR:

Q. What I want to know is where the bonds came from that you gave to the new stockholders to enlarge the stock of the Credit Mobilier.—A. These were first-mortgage bonds of the Union Pacific Railroad Company, of which they could issue $16,000 to the mile. The Union Pacific Railroad Company had not sold a bond up to spring of 1867.

Q. Who gave them the bonds?—A. The Credit Mobilier took this $1,250,000, which it got from its new subscribers, and furnished it to the Union Pacific Railroad Company for this $1,250,000 in bonds. This relieved the Union Pacific Railroad Company of so much debt. It relieved it of $1,250,000 of debt out of a debt of $3,500,000 or $4,000,000. These bonds were given to the old owners of Credit Mobilier

stock. A great many of these old subscribers could not take their portion of the new stock, and many others thought that the thing looked so blue that they would not take it. Besides, Mr. Duff thought it would be impossible to sell the Union Pacific Railroad bonds until they extended the line to some place where the cars would be running, and I contended that the affair would be an utter failure if we had to wait till that time, and that we could sell the bonds. Various parties in New York and Boston said to me, "Now, if you will get any parties to take this Credit Mobilier stock, we will give you 5 per cent. cash for every share that you will get placed with other parties." I had got all that I was worth embarked in the enterprise, and being an original corporator I was determined to put it through. I went to New York and I placed $130,000 or $140,000 worth of this stock. Dr. Durant gave me 5 per cent. to place $100,000 of his stock, and I placed it; that is, I sold it all the way from 95 to 97½ and up to 100. When we got that $1,250,000 spent we came to a stand-still almost as bad as before. The result was that the Union Pacific Railroad Company allowed me to undertake the sale of the four or five millions of the first-mortgage bonds that we had on hand, and on which we were borrowing money at extravagant rates of interest; I do not think at less than 14½ per cent.

Q. As I understand you the Credit Mobilier was at that time under no obligation to construct any portion of the railroad and had no right to contract for the construction of any portion?—A. No legal right.

Q. So that when a stockholder put his stock into the Credit Mobilier, it was simply paying so much money to that institution, and having that institution pay it over to the Union Pacific Railroad Company for its bonds, and delivering the bonds over to the stockholders; is that the substance of it?—A. That was it; but you ought to know that, although there was no written contract, it was a distinct understanding that a contract should be made, and that the contractor, if not the Credit Mobilier, should be summoned, who would give the benefits of the contract, any profits to be made from it, to the holders of the Credit Mobilier stock. That was a distinct understanding.

Q. Between whom?—A. Between all parties.

Q. Do you mean between the managers of the Union Pacific Railroad Company on one side and the managers and stockholders of the Credit Mobilier stock on the other side?—A. Yes, and these were identical people.

Q. When was that understanding first reached?—A. At the time we increased the stock of the Credit Mobilier.

Q. You say that at that time there was an understanding that whenever the contract was made for the construction of the Union Pacific Railroad, it should be given only to such persons as would hold it for the benefit of the holders of the Credit Mobilier stock?—A. Thatis essentially it; and the records of the Union Pacific Railroad Company and of the Credit Mobilier show an effort to make a contract directly between the Union Pacific Railroad Company and the managers of the Credit Mobilier. I was not so particular as Dr. Durant, because Dr. Durant said he would never consent that a contract should be made between the directors of the Union Pacific Railroad Company and the stockholders and managers of the Credit Mobilier, both being interested in each concern, so that it would be making a contract with themselves. He said he would never consent to it unless there was a written consent from every stockholder in the Union Pacific Railroad Company. He went to law about it twice, and stopped it by injunctions, so that finally

he and I united together to compel the Union Pacific Railroad Company not to make any contract with the directors. Mr. Ames was not a director either in the Union Pacific Railroad Company or the Credit Mobilier, and so they made a contract with Mr. Ames, who assigned it to the owners of the Union Pacific Railroad Company and the Credit Mobilier. Dr. Durant and myself refused to let that contract go into effect until the written consent of every stockholder of the Union Pacific Railroad Company was had.

By Mr. SHELLABARGER:

Q. If I understand you now, it was distinctly agreed prior to the Oakes Ames contract, between the Union Pacific Railroad Company on the one part and the Credit Mobilier on the other part, that the person who took the contract for building the road should assign the benefits of the contract to the stockholders of the Credit Mobilier?—A. I cannot answer that in that way. I want it understood that the owners of the Credit Mobilier, being the owners of the Union Pacific Railroad stock, felt perfectly satisfied that there would be no arrangement made to the prejudice of the common interest. There was no understanding or contract, but a feeling of that kind under which we were going to go ahead until we came to some adjustment. It was understood that that would be done and that the interests of all would be protected.

We did not let anything hinder us going on with the work. Mr. Duff, Mr. Durant, and Mr. Dillon started off to drive the work, and they left me with authority to sell ten millions of bonds. Mr. Duff said to me, "You will not sell these bonds." Then said I, "Mr. Duff, you need not go out there to spend money." But I went to work, employed an advertising agent, and started advertisements in every leading paper in the Northwest and New England, and I sent traveling agents to every leading city. My most sanguine expectations were realized, and in less than six months I sold ten millions of bonds, and put the price up from 90, at which we had started, to 95. That furnished us with money, so that we were out of the woods so far as financial difficulties were concerned.

Q. State by whom were these bonds sold. Was it by the Union Pacific Railroad Company or by the Credit Mobilier? And state who owned them at the time of the sale.—A. They were sold by the treasurer of the Union Pacific Railroad Company, and the proceeds went into the treasury of the Union Pacific Railroad Company. I acted as agent for their sale. The money received from them was paid out on estimates of the work as it went along.

By the CHAIRMAN:

Q. State whether any commission was paid to the Credit Mobilier for the sale of these ten millions of bonds.—A. No, sir; not a cent. They were sold exclusively for the benefit of the Union Pacific Railroad Company. While we were succeeding so well in selling the bonds our people came back and reported that, instead of the terrible Rocky Mountains, that we supposed would have been immensely costly to build a road through, a route had been found by the Black Hills so easy that the cost would be comparatively light. This was in the fall of 1867.

By Mr. SHELLABARGER:

Q. State when the Union Pacific Railroad Company made their first surveys and location of its road west of the hundredth meridian as it was finally built under the Oakes Ames contract.—A. We had corps of engineers comparatively a few miles apart over these mountains, and

we decided upon and adopted this line of the Black Hills in the spring of 1867.

Q. Who was the engineer that had charge of that part of the survey which covered the region of the Black Hills?—A. Engineer Evans was really the man entitled to the credit of discovering this pass. My first knowledge of the pass was in the spring of 1867.

Q. And it was reported to be a comparatively easy pass at that time?—A. Yes, sir, a much easier pass than we had anticipated.

Q. What was the character of the survey reported to you by your engineers as having been made at that time; I mean as to the extent of the observations and survey? Was it an instrumental survey or was it mere ocular observations?—A. I know nothing of the details of the survey. I may be mistaken as to the time I learned of this pass. Perhaps it was not so early as I have stated.

Q. Go on with your statement.—A. I had got to where we had sold the bonds, and when we had all found that it was not going to cost us so much to get over the Rocky Mountains as we had anticipated. The result of that was that in the fall of 1867 the Credit Mobilier stock went up first to 160. The first notice that I had of the advance was that some one sold at 160 to 165; and before the next summer it went up still higher.

Q. When was that date?—A. That was in the fall of 1867.

Q. Was the Credit Mobilier stock quoted in the newspapers?—A. No, sir; but I learned of the sale. The first sale that I knew of was a sale by Mr. Alley to Mr. Peter Butler. I understood that it was at 160 or 165. I have learned since this discussion that it was still higher.

Q. You let the contract for building these six hundred and sixty-seven miles west of the hundredth meridian to Oakes Ames?—A. Yes.

Q. You let that on actual surveys and location by your engineer?—A. Yes.

Q. Who was that engineer?—A. The chief engineer, who was really the letting engineer, was General Dodge, but he was not the constructing engineer, nor the engineer on whom I think Mr. Durant relied the most for the work to be done. We had a consulting engineer in New York, Mr. Seymour; a constructing engineer, Mr. Reed, and an assistant engineer, Mr. Evans, who had active charge of the line, and many others. Mr. Durant was very careful about their reports. He did not rely upon General Dodge alone, but he sent out his constructing engineer. I do not think they perfected the route over the Rocky Mountains until late in 1867.

Q. Describe now in what form the reports of the engineers were made to the company prior to the letting of the contract to Mr. Ames. If they included profiles of the road, state that. Describe fully what kind of reports were made and how full and complete they were.—A. I know that the reports were very voluminous.

Q. Did they cover the whole six hundred and sixty-seven miles which Mr. Ames took?—A. That is my impression.

Q. Then they did let the contract on actual surveys, and not on imaginary ones?—A. On actual surveys.

Q. How was that letting conducted? Was there an offer made by the Union Pacific Railroad Company to all the world to come in and take the work at the lowest bid?—A. I do not think there was.

Q. How was it done?—A. I cannot say; it was done during my sickness, which confined me four or five weeks in my home in Connecticut.

Q. Go on with your narrative.—A. We went on with the work with great rapidity, laying two or three miles of track a day, until the year

of 1867 or 1868. We worked under the Oakes Ames contract dur the winter of 1868–'69, and I think that every yard of earth laid thro the winter of 1869 cost us more than similar work would have cost by the rod at another time. It was immensely expensive.

Q. State why the Union Pacific Railroad Company deemed it nec sary to work in such weather and under such disadvantageous circu stances.—A. We had intrusted to Dr. Durant the conduct of that depa ment, and made him chief of it, and he deemed it the wisest and be course (and I do not know but that the result has justified it) to dri the work on as fast as possible, so that the immense interest accru which was accumulating should not break the company.

Q. Was this the completion of the work?—A. Yes, in 1868–'69.

Q. Was not this a part of the reasons—that there was a strife betwe the Union and Central Pacific Railroad Companies which should ge the largest portion of the subsidy; and was not the pushing of the wo owing to that consideration in part?—A. I think that that had its eff on Dr. Durant. He and I disagreed there.

Q. Did not the two roads lap?—A. Yes, the grading of the two ro lapped. In the fall and summer of 1868, Dr. Durant sent a force u beyond Promontory, and expended considerable money in grading ov there, and the Central Pacific Railroad Company sent parties gradi on the line of our road.

Q. What was the largest lap?—A. The lap in grading, I should s was forty or fifty miles.

Q. Was there a controversy between the two companies afterward to which should have the benefit of the subsidy for that lap?—A. I dividuals came here representing our company and secured an act Congress in our favor.

Q. What was the date of that act of Congress?—A. It was in the fa or winter of 1869.

Q. That secured the benefits of the construction to the Union Pac Railroad Company?—A. Yes, to Promontory. Since then we have s to the other company the privilege of coming to within five miles Ogden.

Q. What distance is that from the hundredth meridian?—A. It somewhat over eight hundred miles.

Q. How far is it from where the eastern end of the Ames contr began?—A. Something over eight hundred miles.

Q. How do you explain the difference between six hundred and sixty seven miles and this eight hundred miles?—A. Dr. Durant, as the vi president of the Union Pacific Railroad Company, in order that th should be no delay in driving the work, made a contract himself, wh on the line of the road, with a gentleman named Davis, one of the sub contractors there, to continue beyond the Ames contract.

Q. Mr. Ames's contract then stood in its original form, and was com pleted without ever being modified at any time?—A. Yes, sir.

Q. And the residue of the construction to the western terminus w by Davis?—A. Yes.

Q. When was that contract let to Davis?—A. In the fall of 1868.

Q. Have you anything here that enables you to state to the committ at what price the Davis contract was let?—A. No, I have not; and I cannot tell from memory.

Q. Describe to the committee generally the character of the rou describe what the difficulties were, where they were special, and th give us the general lay and character of the country that you had build the road through.—A. The first difficult work was over the hi

est of Omaha; but after we got out forty miles from Omaha, the Cre-tor could not have given us a better country to build a line of railroad hrough, and that continued nearly out to the base of the Rocky fountains.

Q. What distance is that?—A. Five hundred and seventeen miles.

Q. That country was as good as nature could have made it?—A. Yes, ir. It is decomposed granite at the base, which will be for ever just as erfect as can be. We built the road just as perfect as a railroad can e built, and we built it at great rapidity and at an immense cost for verything. The cost of building a road and driving it so fast is almost abulous; but we saved the extra expense in interest.

Q. Why did that great increase of cost result from the rapidity with hich you did the work?—A. It resulted from the immense surplus of elp we had to have in doing the work so fast. For instance, you had thousand men to lay the track. If there was any little delay in pro-ring the materials these thousand men were idle, and so in every other epartment.

Q. You have got now to the foot of the Rocky Mountains; how near as that to the western end of the 667 miles of the Oakes Ames con-ract?—A. About half way.

Q. Describe the road from that onward.—A. The road from that over he Rocky Mountains was nothing like as expensive as we expected it o be, although it was very expensive through the granite of the Rocky fountains and up a road of 80 to 90 feet to the mile and circuitous. hen there was the bridge over Dale Creek, a chasm of 600 or 700 feet nd 130 feet high. We had to get all the materials out there ahead of he road, and it cost ten times as much to build that bridge as it would ost now. And so down the mountains beyond the Dale Creek bridge t was solid rock all the way through till we got to Laramie plains. rom the Laramie plains till the valley of the Green River was compar-tively an easy road to build. One mistake was that an old Government irector, Jesse L. Williams, a very nice man, and Mr. Brinkerhofer, an-ther nice man, insisted upon our making a cut through every rising in he Laramie plains, which probably cost us millions of dollars, as we had fterward to fill up these cuts. I was satisfied at the time that it was great mistake, but they thought otherwise. Then we came to the Green iver, which was a very costly and expensive place to build a road and e came out to the Carbon and got to the coal-fields, and down Butte reek, where it was impossible for the cattle to drink the water without ying. There was no vegetation there. Every particle of corn and ay and grain for the cattle, and food for the men, had to be carried head 200 or 300 miles, where the men were doing the grading. A pound f corn, brought there, cost perhaps twenty times as much as it cost here it started from. All this made the construction mighty expensive. f we could have waited to complete the road till 1876, I think we could ave built the road at less than half of what it actually cost us; but hen, on the other hand, the interest account would have ruined us. We uilt the road seven years inside of our time.

Q. When was the road completed?—A. On the 10th of May, 1869, ore than seven years inside of the time allowed. One of the incidental dvantages from the early finishing of the road has been that over welve millions worth of silver has been brought from Salt Lake Valley lone this year, by which the country will profit several times the inter-st paid on the bonds. This is clean profit to the country, of course. One ttle lead and silver mine which I and my associates bought for 12,500, we sold to the people of Amsterdam for $400,000. I give that as

an instance of the advantages of having completed the road before 1878. We want a little credit for this in anything that you may find objectionable in our transactions.

By Mr. HOAR:

Q. Suppose the claim that has been made, that the interest on the Government bonds is payable by the company as it accrues, be insisted on, is the road in a condition to be able to meet it?—A. I do not think that for the past three or four years the road could have met it in addition to its other interest. I hope to see the road earning enough to do it. The past earnings would not justify it.

Q. Do these Pacific roads meet promptly the interest on their first-mortgage bonds?—A. Yes, sir; and on their land-grant bonds, and on their income bonds.

Q. Has the Union Pacific Railroad Company borrowed any money for that purpose?—A. Yes.

Q. Is it still unpaid?—A. Yes.

Q. How much?—A. We borrowed $600,000 to pay the interest due this January.

Q. What is the condition of the road as to repair?—A. It is in perfect order.

Q. Has the road steel rails or iron?—A. Iron rails.

Q. What are the resources of the road to meet its debts; what property has it?—A. To benefit the road and advance its interests, the Union Pacific Railroad Company has loaned money to extend the Utah Central and the Utah Southern down in that mining region, and the Union Pacific Railroad Company holds the security of those roads for the money advanced. If it had not advanced that money it would have had money enough to meet its interest on the first-mortgage bonds, but not on the Government bonds.

Q. On what do you rely for your ability to meet the Government advances—that $27,000,000—when it comes due?—A. Well, I was one of the contracting parties with the Government, and I utterly misunderstood the Government's part of the contract, if it was not this——

Q. Please answer my question. You can make any explanation you think necessary afterward.—A. Well, we expect to pay the Government for its advances to us in half the transportation and 5 per cent. of the net profits of the road.

Q. Have you yet had any such net profits as would warrant that expectation?—A. Not yet; but we anticipate an immense increase.

Q. Then, the means with which you expect to meet the debts of the road, as they become due in the future, are to come from business hereafter to be developed?—A. Yes; I suppose we shall do it exactly according to the provisions of the bill.

Q. Would the road, in your judgment, be able to develop that business much faster if it had greater pecuniary resources?—A. I think the directors are making up for the lack of the company in that particular.

Q. But I am asking about the company; whether, in your judgment it would be able to perform better the functions of a railroad company for the public benefit, and to develop the resources of the country through which it passes, if it had greater pecuniary resources?—A. I can't see anything that it has left undone; if it had millions of money I can't see what it could do more.

Q. It has been obliged, you say, to borrow money to meet its interest?—A. Yes; but that is merely a temporary advance for sixty or ninety days. We only anticipate the earnings of the road a little.

Q. Then it is your opinion that the road does everything for the public that it could do if it had ten or twenty millions more capital on hand?—A. Everything that can be done to accommodate the public is being done.

Q. What was the market value of the stock of the road three months ago?—A. Its average price last year was 38; the average right through the year.

Q. On what capital?—A. Nearly thirty-seven millions.

Q. How high has it been during the past year?—A. Forty-two.

By Mr. SLOCUM:

Q. How high has it been at any time?—A. It was at one time, in the summer of 1870, 45½ to 45¾.

By Mr. HOAR:

Q. So that, judged of by the average price—I do not speak of times when it has been depressed or raised by special causes—the value of the stock of the road is 42 per cent. on its par?—A. Well, it has not for the three years averaged that. For the last year it has averaged 38, and that is a fair average.

By Mr. SHELLABARGER:

Q. What is the character of the bridges on the road?—A. The bridges on the entire line of the road are most substantial. They are not iron bridges, but the foundations are all masonry, and ready for iron. When we were building the road it was impossible to get iron ahead, but since the construction of the road we have kept on steadily and filled up nearly all the wooden structures with solid materials, so that I don't suppose there is a road in the world that has so little of wooden structures on it.

Q. Is there a double track?—A. No, sir, a single track; but our turnouts are very long—a mile long. One-sixth of the road, if I remember right, is turn-outs.

Q. How are depot-buildings and the accommodations generally along the line, and how is your supply of rolling-stock; is it adequate?—A. O, yes; most magnificent. The depots are very complete, and our rolling-stock is very large. Our locomotives are in splendid order. Our bridge across the Missouri is one of the most magnificent bridges in the country.

Q. Has the stock sold as low as $9 a share?—A. I bought it as low as $9 a share three years ago, when the question of the Government's withholding one-half was before the public. There is one point more that goes into the case of the road very largely. The road has cost a great deal of money, and we have to explain and apologize for that. I don't know, either, as we have to apologize for it; I take that back, but we have toexpla in it. It is owing to the rapidity with which we built it and the trouble that arose in the spring of 1869. In the spring of 1869, we had on hand in New York ten millions of the first-mortgage bonds; we had on hand seven millions and odd of land-grant bonds, on all of which we had borrowed every dollar we could get on them. We had made the fatal mistake of putting the price of our bonds so high that the sales had stopped completely. We were spending an immense amount of money in advertising, but no bonds were sold, because we had put them too high. We had an immense debt on hand, not less than thirteen or fourteen millions, and just then Fisk came down upon

us with his blackmailing suit, just as we were going to hold an election. You know the history of Judge Barnard's taking possession of our office. Our bonds were scattered, and every single director of the road was driven out of New York, with some apprehension of Ludlow-street jail—every single one of them except myself. The book-keepers were driven out, and the bonds, in the great hurry to get them away from the reach of the sheriff, were scattered, and many of them lost. I gathered them up, all I could, and disposed of them at 85 for the first-mortgage bonds, and 55 for the land-grants, to raise money to meet the obligations of thirteen or fourteen millions that were due in New York and out along the line of the road. I took hold, and I told Judge Barnard that he could not drive me out of New York; that he might shut me up, but he could not drive me out. Fisk had told us, "I will break you up so that you cannot pay your obligations, and the first one you default on I will buy it up, and so on, until I get control of the road, the same as with Erie." He bragged that he would do that; and I suppose the company had to sacrifice six or seven millions on account of that attack on us.

By Mr. SHELLABARGER:

Q. You speak of the land-grant bonds; just describe what they were.—A. There was a mortgage made early in 1867, I think, or possibly a year before that, mortgaging our lands, all of them, to Cyrus H. McCormick and John Duff, trustees, and those bonds were disposed of to raise money to complete the road. Not a dollar of that money, as I remember, was divided in dividends or otherwise disposed of.

Q. What is the amount of the land-grant bonds outstanding upon your unsold lands?—A. We have sold lands enough so that when the notes are paid there will not be over seven and a half millions out. There are now about eight millions of bonds out.

Q. You speak about the enormous increase of cost of the road to the company on account of the great speed with which it was constructed. State what per cent. less the work could have been done for if you had constructed it at only an ordinary rate of speed.—A. It is my impression that we could have built the road for one-half what it cost if we had taken the seven years longer.

By the CHAIRMAN:

Q. Would it have required the whole additional seven years to have completed the road, working at an ordinary rate of speed?—A. Yes, sir; at ordinary speed we could not have done it or got it done inside of the time allowed.

Q. What part of the road was constructed with such great speed that it cost double what it would have cost at an ordinary rate of speed? That does not apply to Hoxie's part, or to any part where the speed was ordinary?—A. The whole road was constructed with extraordinary speed beyond the one hundredth meridian.

Q. How much do you say that part cost you?—A. I think it was not far from $100,000,000. One hundred millions is the amount of the securities, taking the stock at par.

Q. Then you make the amount lost by reason of the speed come to about $50,000,000?—A. I think the road cost $50,000,000 more than it would have cost if built at an ordinary speed. The entire road across the continent certainly did. I don't know that ours did cost quite that.

Q. That would have made your road cost about $50,000,000 if built at ordinary speed?—A. Yes, sir.

Q. But in building the road at ordinary speed, you would have taken the whole seven years?—A. Yes, sir.

Q. How much of that amount would you have used the first year, probably—a seventh part of it? When did you commence building the road?—A. In 1864.

Q. Then you would have taken eleven years to build the road at an ordinary and economical rate of speed?—A. Yes.

Q. Then you would have divided the $50,000,000 by eleven?—A. Yes.

Q. And you would have expended about four and a half millions a year?—A. Yes.

Q. You would have required four and a half millions in 1865, and so on each year?—A. Yes.

Q. Then you would have had the interest on four and a half millions for eleven years, and so on down? You would have had only to use the capital of each year in the year in which that part of the road was constructed?—A. Yes, sir.

By Mr. HOAR:

Q. To make that calculation straight, you would have to deduct what you received for local traffic?—A. Yes, sir; but you will have to remember that we didn't get par for our securities. I can make this a little clearer. Suppose we take five years. Our earnings have averaged eight millions a year, which would have just paid the running expenses. We should always have been paying running expenses just the same without any earnings. Now, we have earned eight millions a year for five years—that is a fair average. That makes $40,000,000 on the Union Pacific, and we will assume that there has been nearly as much more on the Central Pacific; that would be $80,000,000 on the two roads gained by the speed with which they were built. We saved that amount, which makes up for the great additional cost of rapid construction. I have thought a great many times that the thing was just about evenly balanced—that the great cost of constructing the road was about balanced by the earnings for the years saved by the speedy construction.

By the CHAIRMAN:

Q. Then the increased speed at which the road was constructed was no disadvantage to the company?—A. Not at all; but it accounts for the great cost. A great many say that we did a wrong to the Government, it being jointly interested with us; but I say that it was a great advantage to the country. This year alone we have about $12,000,000 of mineral products from Salt Lake; so that, if anything, there is great gain to the country in having driven the work so fast.

By Mr. SHELLABARGER:

Q. Is this $8,000,000 annual earnings you speak of net or gross?—A. Gross.

Q. What have been the net earnings?—A. About $3,300,000, which is just about enough to pay the interest on the first-mortgage bonds, the land-grant bonds, the income-bonds, and half to the Government.

By Mr. SWANN:

Q. That amount includes the company's service in transporting materials?—A. No; we never put anything done for the company into the earnings account.

By Mr. HOAR:

Q. Have you anything in your possession, or can you direct us to anything, which shows how much the Government has saved by having

this railroad in operation? I am not speaking now of the right to re
tain any part of the earnings of the road in serving the Government; I am
asking how much it has saved in its military and other transportation
by using the railroad at existing rates, instead of doing the work in the
old way.—A. I have; and I will be most happy to furnish it to you. I
will state now that up to 1871 it had saved over $50,000,000, and I will
hereafter furnish the data on which that statement is based.

Q. It is the claim of your company, as I understand, that under the
proper construction of the two organic acts of 1862 and 1864, the Gov-
ernment is not entitled to retain one-half of the proceeds of transporta-
tion done for it, to apply to paying the interest?—A. That was our un-
derstanding when the bill was passed.

Q. When did you first hear or know of any different claim on the part
of the Government, or any person; when did you first know that this
was a question?—A. That was in the fall of 1869 or 1870, in Boston; I
saw a letter there one day from the Treasury Department making that
claim.

Q. Had it never occurred to you, or been mentioned to you by any
person in the management of the road, that there was any question on
that subject?—A. The question never had arisen, so far as I know;
among our counsel that we had here at Washington, when we passed
the bill, there was no such idea. When we organized in 1863, William
B. Ogden made the point, in his opening address, that it would be
absolutely necessary for the Government to relinquish one-half the
earnings for transportation to the company for the company's use, and
that it would not be safe to undertake the work otherwise; and we or-
ganized with Mr. Ogden as president, with that understanding.

Q. I wish to know when it occurred to the company that there was a
doubt on that subject?—A. So far as I remember, it was in the fall of
1870.

By Mr. SWANN:

Q. In the examination of Mr. Ames, yesterday, I asked him some
questions in regard to the engineer service of the Credit Mobilier after
he came into possession of the road; whether or not he required reports
from his chief engineer, who was acting under him in the construction
of that road—what the estimates of the engineers were in regard to the
cost of the road; and I asked also for any information he could give us
upon that general subject. Now, I want to know from you who was the
chief engineer having control of that portion of the road which was
taken possession of by Mr. Ames under the Mobilier contract; who
was the chief engineer having control of the whole line placed in charge
of Mr. Ames?—A. On the part of the company or on the part of Mr.
Ames's assignees? He assigned to seven trustees.

Q. I know; but I look upon him as the representative of those trus-
tees. He turned the business over to them to do certain things, which
they performed?—A. Yes, sir. The engineer in charge representing
Mr. Ames was Mr. Reed. He was the chief construction engineer. The
chief engineer of the company at the time was General G. M. Dodge,
and the consulting engineer in New York was Mr. Seymour.

Q. Was the Credit Mobilier in the habit of receiving monthly reports
from the chief engineer as to the cost of construction?—A. The Credit
Mobilier, after the execution of the Ames contract, had practically no
more to do with the construction of the road than you had; it was done
under those seven trustees.

Q. Who was the custodian of those monthly reports of the chief
engineer?—A. I suppose they all came through him.

Q. The chief engineer of construction you mean?—A. Yes. The reports came from Mr. Reed to the secretary of the seven trustees.

Q. Were those estimates submitted to anybody else than the trustees before they came into the hands of Mr. Ames?—A. I don't think it.

Q. I take it for granted that when he made the contract he had the estimates of the engineers before him upon which to base his contract?—A. That is a matter that Dr. Durant can post you fully upon; it is not in my department.

Q. You don't know what became of those estimates? I suppose the disbursements were made upon those monthly exhibits of the cost of the road as you were progressing?—A. Those were all handed in at the office, and Mr. Durant can give you an account of what became of them, as that was in his department and charge. Mr. Ames or myself would not be likely to know anything about that.

Q. Well, we desire to have that information if we can procure it, because we can ascertain in that way the cost as estimated by the engineer corps.—A. I think you will be entirely satisfied with what you will get from Mr. Durant on that subject.

Q. You state that these papers passed into your hands after your connection with the Credit Mobilier—I mean the archives of the concern—and that you have had control of the chest containing them?—A. Yes; the trustees.

Q. Did you know what papers were in that chest?—A. In general. I knew that the reports were there.

Q. I mean to ask whether you knew the contents of that chest—anything connected with the Credit Mobilier?—A. In general I did; not in detail.

Q. You knew where that chest was sent to when it was removed, and, in general terms, what it contained at the time it passed under your control?—A. If you mean all the results——

Q. I mean everything that pertained to the Credit Mobilier and its transactions; what they had in their possession after Ames made the contract, which, I understand from you, was after the transfer of many of the papers to the trustees.—A. The details of that I don't know; but I can name some things. They had one thousand or more acres of land at Council Bluffs, which they owned or were holding in trust; they had some shares of stock of the Union Pacific Railroad; they held obligations of the Union Pacific Railroad Company to the Credit Mobilier.

Q. Had you any reason to believe that any of the papers contained in that chest were abstracted at any time, or disappeared after they passed into your possession?—A. I don't know of the disappearance of a single paper, except what grew out of the Fisk and Barnard raid; at that time everything was scattered broadcast.

Q. Were they in the habit of keeping the reports of the engineers in that, after the trustees took possession?—A. Everything was kept snug and in perfect order.

Q. Everything was kept in that chest?—A. Everything, at No. 20 Nassau street, was kept perfectly snug and in perfect order, so that Mr. Crane could at any time get every paper and every contract and report of the engineers, all perfect.

Q. I understand from Mr. Ames that he does not know where to put his hands on these reports; that they are not here, and he does not know whether he can get them.—A. Well, it is not strange. I have not the power to get them, but I think you will be able to get all you want from Dr. Durant.

Q. I allude particularly to the report of the engineers as to the cost

of the work per mile; do you think he has those?—A. I think he ca give you the reports and everything that you want, from the construc tion engineer and the company's engineer. I have not conferred wit him about it, but that was in his department.

By the CHAIRMAN:

Q. Can you tell me what the earnings of the road have been, year b year, since it was completed? What were the gross, and what the ne earnings the first year after it was completed?—A. In general I ca tell you what they were; but the books will show better. You ha better have those.

Q. Can I get that information from Mr. Durant?—A. I think yo would have to get that from the treasurer, in Boston. I cannot giv you any exact figures, but the average has been eight millions a yea every year since the 10th of May, 1869. That is the average gros earnings.

Q. I don't want the average earnings now; I want to ascertai whether the earnings have increased from year to year; and if so, what rate.—A. I can give you that. The earnings for 1869 and 187 until the 10th of May, (if you put it that way,) were the largest ear ings that the road has ever made, except this year. In 1870 and 187 the Kansas Pacific road was completed to Colorado, and the Denv Pacific and Cheyenne, which reduced the gross earnings of the Uni Pacific nearly $1,000,000, so that the gross earnings fell off to seve millions and a half; but this year we have come up again to eight mi lions and a half or three-quarters. We lost a million by the loss of th Colorado business, but we have begun to go ahead again, through th development of the Salt Lake mineral business; so that this year Oct ber, November, and December were the largest months' earnings w have ever made.

Q. What will be the effect upon your road of the completion of th Northern Pacific Railroad? That will be a competing line?—A. Ye sir, a competing line, reducing the prices for through business; but, i the mean time, the immense mineral resources of the Salt Lake Valle will undoubtedly keep up our earnings to the present standard, if n increase them.

Q. That is conjectural, of course?—A. Of course.

Q. What will be the effect upon your road of the completion of th South Pacific road? Will that be another rival?—A. That will affe us only so far as southern business with the Pacific coast is concerne That line will have its own local business, all that it can handle. Th mineral resources of the country on that line are perfectly enormous.

Q. Will not that line tend to reduce your through business?—A. don't think it will. If so, it will be very little.

Q. Do you not receive much of your business from the business whi comes up the coast to San Francisco?—A. Some, of course.

Q. Will it not, then, be the tendency of that road to diminish yo business from that quarter?—A. The tendency of the constructi of both the other roads would be to reduce the through business of t Union and the Central Pacific; but we anticipate the developme of other business to more than make up for any falling off on th account.

Q. That is, you look to local developments along your line to co pensate, or more than compensate, for the loss resulting from the co struction of those two other roads?—A. Yes, sir.

By Mr. SWANN:

Q. Has the snow interfered with your road materially during the present season?—A. Not a day. Running a thousand miles, we have not been eight hours late this whole winter.

By Mr. HOAR:

Q. Do you anticipate any increase in through business by reason of the development of commerce with the Asiatic nations?—A. We do; we are getting it all the while.

Q. And by reason also of the growth of San Francisco and the immediate country about it?—A. Yes, sir. And the Australian line has added immensely to our wool business during the past year, and an additional line to China is going to double our business with that country every month.

By the CHAIRMAN:

Q. What amount of bonds has the Union Pacific Railroad Company issued in all?—A. Twenty-seven millions and a fraction of first-mortgage bonds; ten millions four hundred thousand land-grant bonds in all, and ten millions of income-bonds in all.

Q. And what amount of stock?—A. A little under twenty-seven millions, or thereabouts.

Q. Who drew this tripartite contract between Mr. Ames, the Credit Mobilier, and the trustees?—A. I don't exactly remember, because I was sick in Connecticut when that was drawn.

Q. Who drew the contract between the railroad company and Mr. Ames?—A. The company's counsel; that is my recollection. I signed it, and I remember reading it very carefully, but I cannot now say positively who drew it.

Q. Who drew the assignment of that contract by Mr. Ames?—A. That I don't remember. I should have known if I had not been sick, for I am sure a matter of detail of that kind would not have escaped me.

Q. What, if anything, do you know about the payment of any of the money of the Union Pacific Railroad Company, or of the Credit Mobilier, to influence the election of Senators, or the election of members of the House of Representatives?—A. I do not know of the payment of a single dollar from first to last.

Q. You have no knowledge of any payments of that kind?—A. None.

Q. Have you ever heard of the payment or use of any moneys of either of those corporations in that way?—A. Not the first cent.

Q. Has any member of Congress, or have any members of Congress, been at any time attorneys of the Union Pacific Railroad Company, or of the Credit Mobilier? If so, give the names.—A. I don't remember. I believe there was one instance where a member of Congress came in as counsel, but I don't think it was at the request of either of the companies.

Q. Did that member of Congress act as attorney for the company in any way?—A. I think not. The more I think of it, the more I think I am correct in saying that there has not been any member of Congress connected with either company as attorney.

By Mr. HOAR:

Q. Then I did not understand your answer to a previous question. Did you not say that a member of Congress did come in as attorney?—A. He came in and gave counsel, but I think it was at the request of some individual who was interested in the road. I think that neither

the Union Pacific Company nor the Credit Mobilier has ever employed any member of Congress as counsel.

Q. Was that action as counsel gratuitous?—A. It was, so far as the companies were concerned.

Q. Do you know of any member of Congress having received any money or other compensation for that counsel?—A. I do not.

By Mr. SWANN:

Q. The company had no permanent counsel?—A. O, yes; we had permanent counsel.

By the CHAIRMAN:

Q. Connected with Congress?—A. No, sir; not connected with Congress. We never had any counsel connected with Congress—permanently.

Q. Who have been the attorneys of the Union Pacific Company and of the Credit Mobilier?—A. Messrs. Tracy, Olmsted & Co. have been from the first, up to 1869 or 1870, the steady counsel of the Union Pacific Railroad Company. They have had the assistance, in behalf of both the Union Pacific Company and the Credit Mobilier, of Messrs. Barlow, Larocque & Co., Barlow, Larocque & McFarland, Judge Allen, now of the court of appeals of New York, Mr. Samuel J. Tilden, and several others—it would be difficult to name them all.

Q. At whose instance was it that that member of Congress you have alluded to came in and gave counsel?—A. It is my impression that on one occasion Mr. Alley brought in a member of Congress as a friend of his.

Q. When was that?—A. I think it was in 1867.

Q. With reference to what was that member brought in, to give counsel?—A. We got into a quarrel between ourselves. The Boston and the New York interests, as we termed them, were at loggerheads; they did not agree upon some line of policy. One of the things that brought around the disagreement was, that some members of the Boston interest did not see the necessity of getting the consent in writing of every stockholder in the Union Pacific Company to whatever contract should be made, while Mr. Durant was determined that neither the Credit Mobilier nor anybody else should have the contract without the consent of all the stockholders of the Union Pacific. Quite a contest or quarrel grew out of that, but it was settled up in a friendly way between ourselves, and that was the occasion of bringing in this gentleman, as—you might not call it as counsel, but to give advice. He certainly did not act as counsel for the companies any way; but Mr. Alley, I think, brought in this gentleman, and I believe that Mr. McComb at the same time brought in Judge Black. Whether he was paid by the company or not I don't know, but at any rate he was not a member of Congress.

By Mr. SWANN:

Q. By whom was that other counsel paid?—A. I don't know. The company did not pay either of them, to my knowledge. I wish to say now, on reflection, that it is possible that this gentleman to whom I refer was not then a member of Congress; that this occasion when he was called in may have been prior to his election. He is now in Congress, and has been much of the time since that, but I think it is possible that he was not in Congress at that time.

By the CHAIRMAN:

Q. We will ask you to give us his name, and then we can ascertain.—

. Well, it was General Butler. I think it possible that this was the ear prior to his election to Congress.

By Mr. SHELLABARGER:

Q. Was it before or after the assent of the stockholders was obtained o this contract?—A. I think it was before.

Q. That assent was in writing, so that we can get at the date?—A. es, sir.

Q. You know it was before that, and was about the matter which hat closed up and settled?—A. Yes, sir.

Q. State whether you know of any money having been paid, directly r indirectly, to Senator Harlan—any moneys of the Union Pacific ompany or of the Credit Mobilier.—A. I don't think there ever was a ollar.

Q. State whether or not any drafts, or any notes or acceptances, or ny sort of paper on which money could be procured, were given to enator Harlan.—A. Nothing of the kind that I know of; and I think should have known it sure if there had been.

Q. You never heard of anything of the sort?—A. Not by the Credit obilier or the Union Pacific Railroad Company.

Q. Was there by anybody?—A. I was informed by Mr. Durant that e was going to assist Mr. Harlan—going to assist the friends of Sen- tor Harlan, to procure newspapers and to carry the election. Mr. urant told me he was going to do it, and afterward he told me he had one it.

Q. Who has kept the books and papers of the Union Pacific Railroad ompany; have you ever kept them yourself?—A. No, sir.

Q. Have you kept the books, &c., of the Credit Mobilier?—A. No.

Q. At what time was it that Mr. Durant told you that he was going o assist Mr. Harlan?—A. I can't remember the time, but it was some me prior to 1870, I think.

Q. Was Mr. Harlan then a Senator, or was he Secretary of the Inte- ior?—A. It is my impression that he was Secretary of the Interior.

Q. What was the purpose to be attained by this assistance that was iven to him?—A. Sustaining one or two newspapers in Iowa that were iendly to Senator Harlan.

Q. And Mr. Durant afterward told you that he had furnished assist- nce?—A. Yes, sir.

Q. But you don't know whether it was paid out of the moneys of the ompany?—A. I know that Mr. Durant said he had paid it himself.

By Mr. SWANN:

Q. Did he tell you the amount that he had paid?—A. Ten thousand ollars in all.

By the CHAIRMAN:

Q. Have you any knowledge of any person connected with the Union acific Railway Company or the Credit Mobilier furnishing assistance o anybody else for the purpose of aiding in procuring an election, ither to the Senate of the United States or to the House of Represen- atives?—A. Do you mean out of the funds of the Union Pacific Rail- ay Company, or of the Credit Mobilier?

Q. I am speaking now of persons connected with either of those com- anies. Do you know of any person connected with the Union Pacific ailway Company or with the Credit Mobilier furnishing any assistance, irectly or indirectly, to any person to secure an election to the Senate f the United States or the House of Representatives?—A. I know

nothing concerning other people's contributions. I always contribute and always have contributed liberally ever since I have been a voter, for campaign expenses, but nothing more than that.

Q. I am asking about furnishing funds to be used in this particular way?—A. I know of nothing of the kind.

Q. Did you yourself at any time furnish any funds for any such purpose?—A. Nothing more than my general subscription for campaign expenses.

Q. Did you never furnish any money, directly or indirectly, to any individual to enable him to secure an election to either the Senate or the House or Representatives?—A. I can't answer that.

Q. Why is it that you cannot answer it?—A. Well, it is barely possible that I might answer it wrong.

Q. If you had done such a thing as that, would not you be most likely to recollect it?—A. Well, if I had, I say frankly I would not tell it.

Q. Do you wish to be understood as saying that you cannot answer simply because you *will* not, or is it because you have not the ability to answer?—A. In the first place, I have contributed always right straight along every year for campaign expenses, and that contribution might possibly make me wrong if I said no, and, on the other hand, if I said yes, it might be wrong.

Q. Well, if you have made any contributions and will explain them and let us get at the facts, then nobody will be likely to put a misconstruction upon what you say. The facts are all we want.—A. I don't know how to answer the question. I tell you frankly, I have hardly ever said no to a political campaign appeal, and I never expect to; and I don't know that it is right. I might criminate myself, and I don't think you would ask me to do that.

Q. No, sir; if you put it upon the ground that you would criminate yourself, that raises another question. Do you put it upon that ground?—A. No, sir; I do not; I don't put it in that way.

Q. Well, did you ever furnish, directly or indirectly, to any person who was a candidate for the Senate of the United States money to aid him in securing his election?—A. I should rather be excused from answering that question.

The CHAIRMAN. I will submit it to the committee.

By Mr. SHELLABARGER:

Q. Upon what ground do you ask to be excused? Upon the ground of its criminating you?—A. No; I should not put it on that ground, but on the ground that I have always subscribed liberally for campaign purposes—alway responded liberally to assessments made upon me for political purposes, and never have done it in any underhanded or special way.

The CHAIRMAN. If that is the only ground, I submit that the witness ought to be required to answer.

By Mr. HOAR:

Q. Have you in your mind any transaction of that nature which you now remember and which you are unwilling to tell?—A. I cannot recall any one. I cannot answer that question any better than I have done, in the way I have stated.

The CHAIRMAN. The only answer you made to my question was to say that you would rather not answer it. I would like to have you answer that question.

The WITNESS. It is my impression that in one instance I did. That is my impression.

Q. What amount did you contribute?—A. I contributed, I think, $5,000 in one instance.

Q. To whom was that contribution made?—A. I am not so sure that I did it. I don't want to injure another man by making a mistake in this matter, though I don't think it ought to be any injury.

Mr. SHELLABARGER. He will, of course, have the benefit of the degree of certainty or uncertainty with which you state it.

The WITNESS. Well, it is my impression that I contributed $5,000 to Senator Thayer to enable him to procure his re-election, or, rather, to use for general campaign party purposes; it was in the campaign of 1870 or 1871.

By the CHAIRMAN:

Q. In what way did you furnish him that money? Did you hand him the money, or a check, or a draft?—A. I did not give him the money; I gave him a check, or a draft, or something of that kind.

Q. If you gave him a check, on what bank was it?—A. My impression is that I authorized him to draw on me.

Q. Did he draw on you?—A. I think he did.

Q. Can you tell us through what bank he made that draft on you?—A. No, I cannot.

Q. Have you the draft that was drawn upon you?—A. No, sir.

Q. Where is it? What has been done with it?—A. If I paid it, that is the end of it. I don't suppose I kept it.

Q. Are you in the habit of destroying drafts upon you that you pay?—A. It is the custom with me to tear up a note in the bank always, and a draft the same way.

Q. Have you a book-keeper?—A. Yes.

Q. Does he keep a set of books?—A. Yes, sir.

Q. If you paid a draft for $5,000 drawn on you by Senator Thayer, would not your books show anything of it?—A. It is only since March last that I have kept a special book-keeper. My business prior to that I attended to myself, being in New York largely. I kept my accounts, gave my notes, and kept a memorandum in a little book, and when they matured I paid them and tore them up.

Q. When was it that you gave Senator Thayer this authority to draw on you?—A. I think it was during the campaign, prior to the election. I think it was in 1870; it was the State election that was pending.

Q. Was he a candidate for Senator?—A. I believe he was. It was understood that he was.

Q. Was it understood between you and Senator Thayer that you were contributing that for the purpose of enabling him to get himself elected as Senator of the United States?—A. Not especially. He was a candidate and he was a friend of mine, and I did it just as I always contribute to our campaigns in Connecticut.

Q. Did that contribution, then, have any reference to Mr. Thayer's election as Senator?—A. Well, I think I wanted him re-elected.

Q. Was it not for that purpose that you made that contribution?—A. Well, yes; you might say that that had some weight with me—the wish for our party to carry the State, and, in consequence of that, to enable him to succeed in the election.

By Mr. HOAR:

Q. Are you sure that the contribution was not made after the popular election in the State and before the election of a Senator by the legislature?—A. It was before the popular election in the State.

Q. Do you think you would have made the same contribution for an election in that distant State if Mr. Thayer had not been a candidate for re-election?—A. Well, I hardly think I would.

Q. That State is on the line of your railroad?—A. Yes, sir.

By the CHAIRMAN:

Q. Did you ever make any contribution to aid any other person who was a candidate for the Senate?—A. No; I never did.

Q. Or to any person who was a candidate for the House of Representatives?—A. No.

Q. This is the only contribution, then, that you have ever made in that direction?—A. This is the only one that I can remember. I don't remember to have made any other special contribution like that, but I always have contributed to the regular campaign.

Q. Have you ever, before or since, contributed that much money at any one time in a political campaign?—A. I don't think I ever have contributed so much as that. They generally get out of me from $1,000 to $2,500 a year; I have always considered that just the same as my State tax. Every man must do something to help.

Q. To save the country?—A. Yes, sir.

By Mr. SLOCUM:

Q. Your position is such that you would know if there had been any application made on the part of any candidate for help?—A. I think I would.

Q. Did you ever hear discussed the importance of beating General Washburn in Wisconsin?—A. No.

Q. Did any member of Congress advise you that he was an enemy of the road, and that it was necessary to contribute to his defeat?—A. No, sir; I don't think it would have come to me, for I liked Mr. Washburn always; he was open and frank.

By Mr. SHELLABARGER:

Q. The chairman asked you if you ever knew of any money being paid or offered for the purpose of influencing members of Congress; now, did you ever know the Union Pacific Railroad Company or any of its officers, or the Credit Mobilier or any of its officers or stockholders, or any of those seven trustees that were interposed under that assignment, to give, either directly or indirectly, to any member of Congress, or to any other person for the purpose of being given to any member of Congress, any money, stock, or other thing of value?—A. Not a dollar, nor a share, nor a bond, nor a single thing; and I am very confident that I would have known if there had been even a single dollar contributed in that way.

By the CHAIRMAN:

Q. Do you know anything in relation to any distribution of the stock of the Credit Mobilier among members of Congress by Mr. Oakes Ames or any other person?—A. I do not. I know that I signed a paper, or vote, authorizing Mr. Oakes Ames to deliver some three hundred and odd or two hundred and odd shares of Credit Mobilier stock which he said he had disposed of in the spring of 1867, when I was disposing of that two or three hundred thousand dollars' worth that I have testified of.

Q. Did he tell you at that time to whom he had disposed of that stock?—A. He stated that he had sold it—part of it at least—to different gentlemen, members of Congress, and that they held him to his

greement, which was made when I was selling it at 95 and 97. He id they held him to his agreement, and that as a matter of honor nd right he thought he ought to be authorized to fulfill his agreement ith them, and I thought so too, so I signed a paper, after carefully eading and considering it, authorizing him to fulfill his agreement.

Q. Where is that paper?—A. In the records of the Credit Mobilier, think; I have not seen it since, or a copy of it.

Q. Did he give the names of the members of Congress to whom he ad made that disposition of the stock?—A. It is possible, but I don't emember one single one of them.

By Mr. SWANN:

Q. Why did he confine the distribution to members of Congress?—A. He was in Washington at that time, (the spring of 1867,) a member of Congress himself, and his department of placing the stock was more naturally with his friends here, while I placed it in New York and New Haven. Congress adjourned, I think, in March—early in the spring of 1867 at all events—and it was not until the fall, or late in the year, that the parties, as I understood, came to him and held him to his promise. In the mean time, owing to the sale of those $10,000,000 in bonds that I spoke of, and our getting over the Black Hills, the stock had gone up to 160 and above; but because it had gone up I didn't feel that it was right for us to refuse to authorize Mr. Ames to carry out his contract of sale; I thought the parties were justly entitled to the stock, as much as those were who had bought of me.

Q. Did you ever hear Mr. Ames say that he wanted to place the stock where it would do most good?—A. No, sir; I heard him say that he thought it would be bad policy, and perhaps injurious to us, to break his agreement with those gentlemen here, members of Congress and others, and I concurred with him fully; and I only wonder that gentlemen who had agreed to take it when it was 97 hadn't the moral courage to take it when it was worth two or three hundred per cent., and own it, and be proud of it, as Mr. Ames seemed to be. I came to Mr. Ames when he was a member of Congress, and got him to take two or three thousand of Credit Mobilier, and he has never been ashamed of it himself, and why any other gentleman should be ashamed of taking hold and helping the Credit Mobilier through is beyond my comprehension.

By Mr. HOAR:

Q. When you disposed of the stock at 95, as you say Mr. Ames did in those cases, did you accompany it with a guarantee that the purchasers should receive 10 per cent. on their money, or else should receive it back?—A. No, sir; my guarantees were against loss, principal and interest. They were written guarantees, and gentlemen in New Haven are ready to send some of them down here as evidence, if required.

Q. You sold the stock at 95 and accompanied it with your personal guarantee?—A. No, sir; I got it at 95, and I sold at 97½ and par. That was my brokerage and an inducement, but the great inducement to me was to get money into the Credit Mobilier treasury.

By Mr. SWANN:

Q. He (Mr. Durant) let you have it for the purpose of being distributed among those members of Congress?—A. No, sir; Mr. Durant let me have that stock in order to raise money for the treasury of the Credit Mobilier, to furnish money to go on with the work. His great object was that nothing should interfere with the road, and he took all

the stock that it was convenient for him to take, and let me have a portion of his stock, and through other parties I placed two hundred and fifty or three hundred thousand of the stock. There was no anxiety at that time to get the stock. The prospect did not look very bright, and I placed it by giving my personal guarantee in writing that they should not lose.

Q. I understood you to say that you authorized Mr. Ames to carry out contracts for the sale of stock which had been made when it was 95?—A. Yes, sir; when I got it of Dr. Durant at 95.

Q. Were you informed that those contracts which were made by Mr. Ames, those sales of stock to members of Congress, were accompanied by a guarantee that the persons receiving the stock should realize at least 10 per cent. on it?—A. I don't think a word of that was said. I never heard of it until I heard of it in the testimony.

By Mr. HOAR:

Q. You say that the sales were made by you and Mr. Ames for the purpose of realizing cash to carry on the business of the road?—A. Yes, sir; that was the object.

Q. Were the sales which Mr. Ames reported to you as made by him to members of Congress made for cash, or were they made on credit?—A. So far as I know anything about that, it is only from the report of Mr. Ames. This was in the winter of 1867, and he represented that he had sold the stock the spring previous.

Q. Had he paid into the treasury, in the previous spring, the money for that stock?—A. He had paid for a large amount of stock.

Q. Had he for this stock that he said he had sold to members of Congress?—A. No; I don't think he had.

Q. Then do you wish to modify your previous answer, that the sales were made for the purpose of realizing cash for the company to go on with the road?—A. My sales were; I did not speak of Mr. Ames's sales.

Q. I understood you to say that the object of making sales of that stock at that time was to realize cash to go on with the work, and that you made your sales among your friends, and that Mr. Ames would naturally make his among his friends here.—A. Yes, sir; my sales were made solely to realize cash; I got cash in every instance.

Q. But you did not understand that Mr. Ames's sales were made to realize cash?—A. I did not understand anything about his sales, except that he said he had made them.

Q. So far as you know, there was no cash paid into the treasury for those sales?—A. No, sir.

By Mr. SHELLABARGER:

Q. Was there any reason given why cash was not paid into the treasury for the sales of stock made?—A. I did not understand that the sales were concluded. He had only promised the stock to those parties at the last end of the session, and then he took this stock in fulfillment of his promise.

Q. If it was simply a promise, and there was no bargain and sale, then why was there any obligation to let the stock go at the rate at which it was at the time the promise was made, when it was now so much higher?—A. I won't say that there was no sale. He had offered the stock, and the parties had agreed to take it, but before he had got the certificates and delivered them, Congress rose, and these parties went home, and he did not meet them again until Congress came together the next winter.

Q. Do you wish to be understood as saying that the reason why the sales were not consummated was simply because the adjournment of Congress came so soon that there was not time to consummate them?—A. That was simply my impression.

Q. Were there sales made to anybody else than members of Congress on such terms as to be binding sales, and yet without the payment of money; and, if so, who was that somebody else?—A. There has no such sale been concluded that I know of, and the transfer made.

Q. No inquiries were made by your company how it happened that the sales made by Mr. Ames never had brought any cash into the treasury?—A. No; but he had disposed of a great deal of that stock for cash, and had brought a great deal of cash into the treasury.

Q. I am not asking about those sales, but about the sales to members of Congress.—A. No; nothing occurred to me about it then.

Q. But you did consider that, although there was no binding sale made in those cases, it was your honorary and legal obligation to let that stock go at par, it being then worth nearly double as much?—A. Yes; I have always lived up to my contracts, make or lose.

Q. What perplexes me is to understand how there was any contract there, when you say there was only a promise, but no sale.—A. Well, if he had offered them the stock and they had agreed to take it; but he could not get the stock before they had gone.

Q. That would be a sale.—A. Well, that is as I understand it—a sale.

Q. But a sale on credit?—A. Yes; for a short time.

By Mr. SWANN:

Q. Suppose Mr. Ames had failed in the mean time, what would have been the effect?—A. I think they could have held him for the profits.

Q. Suppose the parties had been in the same situation, unable to make payment for the stock which they had received, it would have been a loss to the company, would it not?—A. No; the company would not have lost the stock; they would not deliver it until they got the money.

By Mr. SHELLABARGER:

Q. You say that the reason the stock was not delivered and paid for at the time was, that there was not sufficient time to get the requisite certificates and consummate the transactions before Congress adjourned?—A. That was my impression, but I may have been mistaken.

By Mr. HOAR:

Q. The stock which you sold, was that entered on the books of the company in the name of the purchaser when you sold it?—A. Yes, sir.

Q. As soon as you had made your sale for cash, you entered the transaction on the books of the company?—A. Yes; you will find the names.

Q. Were the sales to any of those members of Congress so entered on the books of the company?—A. No; I didn't sell to any members of Congress.

Q. But you are familiar with the books, and I wish to know if any of those sales ever appeared on the books of the company?—A. No; not that I know of. I never heard of it.

By Mr. SHELLABARGER:

Q. Not even after you delivered the stock to Mr. Ames to carry out your obligations?—A. No, sir.

By the CHAIRMAN:

Q. You sold some Credit Mobilier stock yourself?—A. Yes, sir.

Q. When that stock was issued there was a $1,000 bond accompanying so many shares, was there not?—A. No.

Q. Was there not a bond issued?—A. The bond went to the original holder of the stock; it was really a 50 per cent. dividend in bonds.

Q. The bond, then, did not accompany the stock that you placed?—A. No, sir; those bonds that were earned at all were earned before that.

WASHINGTON, D. C., *January* 15, 1873.

THOMAS C. DURANT sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside in New York.

Q. Have you had any connection with the Union Pacific Railroad Company, and if so, at what time and for how long a period?—A. I was a director and vice-president of the company from the time of its organization until the last rail was laid. The first election of directors was in October, 1863, and the last rail was laid, I think, in May or June, 1869.

Q. When were the surveys for the road made?—A. The surveys were commenced in the fall of 1863, before the company was organized.

Q. When was the last survey made?—A. We had a corps of engineers at work all the time until 1869.

Q. When was the location of the road upon the line where it was constructed finally determined upon?—A. The location of the road was determined in sections, and the surveys were made of the final location with the approval of either the President or of the Interior Department, I don't recollect which. The sections were filed and accepted at different dates.

Q. Have you any books, papers, or reports which will show when the various locations were determined upon?—A. I think we can obtain those here in Washington from either the Treasury or the Interior Department, where they are filed. If it is your intention to make a full investigation of the organization of the company, I had better commence at the beginning, and take each contract by itself, and get the location of the road and the surveys and cost under each contract. The road was located in parts, and I think they were 300 miles ahead of the last location in the construction; that is, the maps were filed, but the Department had not acted upon them.

Q. When was the last location determined upon, so far as the railroad company was concerned?—A. The last general location at the last end of the road was determined upon in 1868.

Q. You had to file a map?—A. Yes; a map and profile. They were filed in sections, and I am unable to state the dates without reference to the Department where they were filed.

Q. Give me your best impression as to when the last one was made so far as the company was concerned.—A. In 1867 or 1868.

Q. If it was in either of those years, can you tell what time of the year it was?—A. I cannot. Those maps were filed, I think, by General Dodge, who had an office here in Washington, and was chief engineer of the company.

Q. Were there estimates made by the engineer of the cost of the work on those several parts of the road as they were located?—A. There were estimates made by quantities. The engineers did not, except in two or three instances, estimate the cost, but they estimated so much earth

cutting, so much embankment, so much earth-filling, so much rock, so many bridges, &c. They could not estimate the cost of iron or labor, except by the average cost of them at the time the estimates were made.

Q. Have you those estimates with you, or copies of them?—A. I have not; I think many of them have been published.

Q. Where can they be had?—A. I suppose in the office of the company. They were there the last that I had to do with the company. They belong to the Union Pacific office. I have no copies of them except what may be found in pamphlets.

Q. Have you any of those pamphlets?—A. I have here some of the first preliminary surveys.

Q. Were the estimates made by the engineers furnished either to the Interior or the Treasury Department?—A. I cannot say what General Dodge did with them; I suppose they were, though.

Q. When was the first contract made for the construction of that road, with whom was it made, and in what way did the company begin the work?—A. The company was organized under the act of 1862 or 1863. I forget which was the year. It was organized by a subscription with the commissioners of $2,000,000 to the stock of the company, of which 10 per cent. was paid. I think the subscription amounted to about $2,180,000. The commissioners were William B. Ogden, Thomas W. Olcott, and Henry V. Poor; they were the officers of the commission. The books were opened at all the places designated by law, and kept open at the main office for a year.

Q. What I want to know now is, when the first contract for the construction of this road was made.—A. Immediately after the organization of the company, they went to work and commenced to build the road themselves by putting men and laborers on. That continued through the fall and winter of 1863 and 1864. The company, I see by General Dix's report, had then incurred expenditures to the amount of about $600,000 or $800,000. After that they found they could not go on with the work—parties would not take the stock; and they were obliged to sell some of the materials, cars, &c., which they had bought, and to hold up on the work, although they still kept going on moderately. A committee was appointed in May—May 12, 1864, I think—with authority to receive proposals and let the work.

Q. State, if you can, the amount of money the company expended in construction and equipment in the manner that you have spoken of.—A. They expended $218,000, and were in debt $200,000 or $300,000 besides, for iron, cars, locomotives, grading, ties, &c.

Q. Then they had expended between four and five hundred thousand dollars?—A. They had run in debt for a portion of it, and had been obliged to sell some of their material to meet their indebtedness.

Q. Then the company ceased the attempt to construct the road in that way?—A. They appointed a committee. The first board of directors consisted of thirty, elected by the stockholders, and two chosen by the Government. They appointed a committee of three to see if they could get proposals and let a contract, and they did let a contract to H. M. Hoxie. I hand the committee a copy of that contract. It was for $50,000 a mile. Soon after, Mr. Hoxie found that he could not go on with the contract, and that parties would not take the risk of getting pay from the company, and he was obliged to throw it up. I persuaded him to hold on a while, and we would see if we could not find parties who would join him and furnish the money, and I made an agreement (which is marked in this Schedule B) for him to sell his contract to any party

who would furnish the money. I hand you also a copy of that agree-
ment, and in connection with that I hand you the agreement and nearly
all the subscription-list of the parties who proposed to take the contract
off his hands—proposing to raise $1,600,000 in cash, and to carry
the contract. Under that arrangement the parties who subscribed
that paper paid in the first installment of 25 per cent.

Q. How much was paid by the company to Hoxie for work that he
did under his contract; how much work was done under that contract
before the transfer was made?—A. I can answer that better after the
next document. We have a document here by which we can get at what
was done on the line up to that time, exclusive of equipment.

Q. After the transfer of the Hoxie contract was made to the persons
named in that agreement, what was done next in the way of a contract
for the construction of the road?—A. The parties named here paid in
their 25 per cent. They kept the work progressing, but when the time
came to make the second payment, the parties did not respond. They
were in doubt whether they would ever get their money back, and they
thought they had better stop where they were; and finally, after a good
deal of talk, they said that if they had no risk beyond the amount of
money they put in, they would go on, but they declined to go on in a
general partnership, with each liable to the amount of his property, as
with success doubtful. They looked about, therefore, to find some means
of meeting the difficulty, and it was decided to take the charter of the
Pennsylvania Fiscal Agency, as it was called, and on the 15th day of
March we agreed to that. I may as well state here that between the
time that Hoxie made an agreement to assign this contract, and the
time that these parties gave notice that they would take it, the work
was still going on, and Mr. Hoxie was obliged to assign whatever in-
terest he had in it subject to that agreement, in order to get money to
pay his men. On the 15th of March, 1865, an agreement was made with
the Credit Mobilier to take the Hoxie contract. I hand the commit-
a copy of that agreement, (marked No. 4.) It was agreed for that com-
pany to guarantee the performance of the Hoxie contract, to advance
the money, and to take the work on the same terms that the contract
provided. It was merely a transfer from a general copartnership to a
corporation. Then Hoxie was instructed by those parties to make an
assignment to John Duff, trustee, of the contract as collateral security
to the Credit Mobilier. I hand you a copy of that contract, (marked
No. 5.) On the opposite side of the sheet is a copy of the guarantee of
the Credit Mobilier, (marked 6.)

Q. Under the charter of the Credit Mobilier, and the amendments
thereto, that corporation had the right to take charge of the work itself
and execute the contract?—A. Yes, sir.

Q. State whether the Credit Mobilier, after those contracts had been
made which you have now given in evidence, did take charge of the
contract and execute the work under it.—A. Yes, it did.

Q. Now state whether or not the work that was contemplated to be
done by the Hoxie contract was completed by the Credit Mobilier.—A.
It was completed by the Credit Mobilier under that contract.

Q. And what amount of money was paid by the Union Pacific Rail-
road Company to Hoxie, the Credit Mobilier, or anybody else, on account
of that construction?—A. In the settlement, instead of the Union
Pacific Company making a settlement and closing up with Hoxie, the
Credit Mobilier made the settlement, and the Union Pacific Company
settled with it for the whole work.

Q. What amount did the Union Pacific Railroad Company pay to

Credit Mobilier on account of that contract—the entire contract?—A. The contract was for $50,000 a mile for two hundred and forty-seven miles, extending to the one hundredth meridian.

Q. Was there anything paid by the Union Pacific Railroad Company in excess of the amount you have just named, $50,000 per mile for two hundred and forty-seven miles?—A. I think there was. When the Hoxie contract was made the line was located from Omaha west, and there was some very heavy work on the line as located; it was impossible to get the grade as low as they wanted. Thirty miles out they had a grade of 10 feet to the mile for three or four hundred miles. Here there was an ascending grade of 80 feet or upward, and a descending grade of about the same, striking the Elk Horn Valley; and the Government inspector, General Simpson, and the consulting engineer of the company, went out and made a survey, and recommended a change of line, on the ground that it would be much cheaper to make the road twelve miles longer and keep the grade down. I think that, according to the terms of the contract, there had been from $150,000 to $200,000 spent on that heavy work, and the company allowed for a portion of what was done, but they allowed only the cost of it—no profit.

Q. When was the work under that Hoxie contract completed?—A. In the fall of 1866, on the 5th of October, 1866. The whole length was 247.45 miles.

Q. How long after that did the Credit Mobilier make a dividend among its stockholders, and what was the amount of that dividend, and in what was it made?—A. I think I understand what you want to get at, and if you will take that when we come to take up the Credit Mobilier, we can give you each dividend received.

Q. Who were the officers of the Credit Mobilier at the time that corporation obtained control of the Hoxie contract?—A. I think they had their original directors in at that time, although it appears to me that a portion of the original directors had resigned and others had been chosen in their places. I must look through this book to find the directors on that day. They were Oliver W. Barnes, Charles M. Hall, R. Reed Meyer, G. F. Train, Thomas C. Durant, and D. R. Porter, I think; but I am not positive as to him.

Q. Can you state the names of the members of that board?—A. I was president, and Mr. Hall was treasurer.

Q. Did you have any other officers?—A. I find by the minutes of the 15th that a copy of the subscription paper was presented, and the board of managers was appointed, I think, the railway bureau in New York.

Q. Who were that board of managers?—A. Thomas C. Durant, C. A. Lombard, C. S. Bushnell, John Duff, and J. W. Barnes. Those managers were appointed in accordance with the terms of the subscription paper on which the stock was paid.

Q. Were any of those directors at that time officers or directors of the Union Pacific Railroad Company?—A. I was vice-president of the Union Pacific Railroad Company, Mr. Bushnell was a director, and I think Mr. Lombard was a director.

Q. Were they all stockholders of the Union Pacific Railroad Company?—A. Yes.

Q. And stockholders of the Credit Mobilier?—A. We hadn't subscribed for our stock of the Credit Mobilier. We took this contract of Hoxie's after he could not go on with it.

Q. Well, you were connected with the Credit Mobilier?—A. Yes; I think I had $500 in it about that time.

Q. How many of that board of directors were directors of the Union Pacific Railroad Company?—A. Myself and Bushnell were the only ones who were officers of the Union Pacific Railroad Company.

Q. What was the amount of the paid-up stock of the Credit Mobilier at that time?—A. There was no stock full paid, but on the subscription under which they organized there had been a percentage paid.

Q. In what did the Union Pacific Railroad Company pay the amounts paid on the Hoxie contract?—A. Cash.

Q. From what sources was that cash derived?—A. From stock subscriptions and the sale of their bonds.

Q. Did the Credit Mobilier purchase those bonds from the Union Pacific Railroad Company?—A. They never purchased any until after they had finished the two thousand four hundred and forty-seven miles of road.

By Mr. HOAR:

Q. Has it yet appeared what amount of cash subscriptions there was?—A. The Credit Mobilier furnished a large amount of money by subscribing to the Union Pacific Railroad Company's stock, and paying the cash for it.

Q. Can you tell how much money had been paid in on stock subscriptions to the Union Pacific Railroad Company at that time that the Credit Mobilier finished that contract?—A. I think between five or six millions—five millions, I guess.

Q. When was the next contract for construction after the Hoxie contract made, and with whom was it made?—A. After the Hoxie contract, after the road had been built to the one hundredth meridian, and about the time it was completed to that point, there were quite a number of stockholders of the Credit Mobilier who had become large stockholders in the Union Pacific Railroad Company; among them Mr. Ames, Mr. Dillon, Mr. Duff, and others. They had become large holders of Union Pacific Railroad stock, which they had purchased through their interest in the Credit Mobilier, and they desired to be represented in the Union Pacific board, and Mr. Oliver Ames and two or three others went into the direction of the Union Pacific Railroad. In January, 1865, there were three hundred and five miles of road completed.

Q. I ask you when the next contract after the Hoxie contract was made, and with whom?—A. I made a contract which was known as the Boomer contract, (a copy of which I will give you;) but that contract never met the formal approval of the board, although they paid $1,700,000 on it. Under that Boomer contract we had completed, in the fall of 1866, fifty-eight miles of road more, making, with the two hundred and forty-seven miles, three hundred and five miles; and in January the board passed a resolution to consider the Hoxie contract extended so as to cover this fifty-eight miles additional, and instructed the treasurer to pay the Credit Mobilier for it at the rate of $50,000 per mile.

Q. What was the price per mile under the Boomer contract?—A. Part of it, exclusive of equipments, was to be $19,500 per mile, exclusive of a bridge that we had not got an estimate on, and the balance $20,000 per mile. I hand you a copy of that contract, (marked 7.)

Q. This contract seems to have been entered into on the 10th of November, 1866; was there any work done under it?—A. Yes; I don't recollect the amount, but, I think, there must have been seventy, eighty, or ninety miles, perhaps one hundred.

Q. And you say that after this contract had been made, and after that amount of work had been done under it, the board passed a resolution

extending the Hoxie contract to the one hundredth meridian?—A. That resolution of the board was on the 5th of January, 1866. The resolution was to consider the Hoxie contract extended to embrace the fifty-eight miles of road already completed under the Boomer contract.

Q. After that work had been performed under the Boomer contract?—A. Well, the board did not recognise that contract, but the road was built under it.

Q. And after the road had been built for that distance under that Boomer contract, the Hoxie contract was extended over it?—A. Yes.

Q. Was it paid for under the Hoxie contract?—A. No, it was not. I entered a protest, and got out an injunction and prevented it.

Adjourned to January 16.

WASHINGTON, D. C., *January* 16, 1873.

The committee met at 10 o'clock a. m., all the members present.

Examination of THOMAS C. DURANT continued.

The WITNESS. I find a resolution in the books that the engineer's reports were called for and ordered to be printed.

By the CHAIRMAN:

Q. What reports do you refer to?—A. Engineer's estimates, with the quantities.

Q. Have they been printed?—A. I presume they have been; the board had them before it.

Q. But you have no copy of them here?—A. No, sir.

Q. When the committee adjourned last night you were speaking, I believe, in regard to a resolution of the board to extend the Hoxie contract over the road which had been constructed under the Boomer contract?—A. The Boomer contract was never formally approved by the board.

Q. Have you that resolution of the board?—A. Yes, sir; I have a copy of the resolution here. It was passed on the 5th of January, 1867.

Q. Please read that resolution.—A. "*Resolved*, That the Union Pacific Railroad Company will and do hereby consider the Hoxie contract extended to the point already completed, namely, 305 miles from Omaha, and that the officers of this company are hereby authorized to settle with the Credit Mobilier at $50,000 a mile for the additional fifty-eight miles.

"The yeas and nays being had on agreeing to the resolution, it was adopted by the following vote:

"Yeas: Messrs. Bushnell, Tuttle, McComb, Lamport, Ames, Duffy, Dillon, and Carter.

"Nays: Messrs. Harbaugh, Ashmun, Sherman, and Williams."

Q. Which of those men were Government directors?—A. Carter, a Government director, voted in the affirmative.

Q. Which of those voting in the negative were Government directors?—A. All of them.

Q. What had been the cost of the construction of the road over which the Hoxie contract was to be extended?—A. About $20,000 a mile, exclusive of equipment. I see the resolution of the board calls for equipment to the amount of $7,500 a mile.

Q. Then the cost of construction of this piece of road was $27,500 per mile?—A. About that.

Q. For which $50,000 per mile was to be paid by virtue of this resolution?—A. Yes.

Q. Was that resolution ever carried into effect?—A. It was not; it was rescinded.

Q. Why was it not carried into effect?—A. I entered a protest, and called the attention of the board to it. I also applied for an injunction, and obtained it, and the board rescinded the resolution.

Q. Where did you apply for the injunction?—A. In Judge Barnard's court, I think.

Q. Was the injunction granted?—A. Yes.

Q. Was it after that injunction was granted that the board rescinded the resolution?—A. The resolution was passed in my absence, and I made this protest, and served the directors with the injunction. The following is my protest against the resolution:

"*To the board of directors Union Pacific Railroad Company:*

"GENTLEMEN: I protest against the passage of the resolution appearing on your minutes as passed January 15, 1867, purporting to treat and consider the Hoxie contract as extended to the point already completed, namely, 305 miles west of Omaha, and authorizing the officers of the company to settle with the Credit Mobilier at $50,000 per mile for the additional fifty-eight miles. Said resolution was moved and adopted while I was absent from the meeting of the board on necessary business of the company. I make this protest on the ground that said fifty-eight miles has been constructed at much less cost than $50,000 a mile, and has been accepted by the United States Government as complete; and that it was not constructed under the Hoxie contract; and that a considerable portion of the cost thereof had been paid by the company before the adoption of said resolution, and that said resolution does not provide any compensation or advantage to the company by requiring stock subscription or stipulations for the construction of additional portions of the company's road, or by any other means or stipulations whatsoever, which leaves the company to sustain a very great and unrequited loss.

"Respectfully, yours,

"THOMAS C. DURANT."

Q. If that resolution had been carried into effect, would the money paid on account thereof have gone to the Credit Mobilier?—A. The profits would have gone to the Credit Mobilier. The relative positions of the two corporations had changed at that time. Several gentlemen who had been stockholders through their connection with the Hoxie contract and the Credit Mobilier had become directors of the Union Pacific Railroad Company, so that this would have been simply letting the contract to ourselves, to the exclusion of the minor stockholders in the Union Pacific Railroad Company who had no interest in the Credit Mobilier.

Q. The proceeds that would have been derived from carrying into effect this resolution would have been simply given to the stockholders of the Credit Mobilier?—A. Certainly.

Q. What was the next thing done in connection with the construction of this road? Was there any further action taken by the board of directors with reference to this fifty-eight miles?—A. Immediately following this protest, at a meeting of the board on the 24th of January, Mr. Bushnell offered the following resolution:

"*Resolved*, That the resolution adopted January 5th, extending the Hoxie contract to the three hundred and fifth mile, be rescinded."

I do not know that my protest is on the books of the company, for the board subsequently passed a resolution expunging my protest, and ordered to be written across it, in red ink, "Expunged by order of the board."

Q. What was the next thing done in furtherance of the construction of this road?—A. There were committees appointed to get estimates of the heavy work, &c.

Q. State who was the engineer of the company at the time the work was done under the Boomer contract.—A. That Boomer contract was known on the books of the company as the Gessner contract. Mr. Gessner was appointed as agent by Boomer, and Boomer afterward sold it to him.

Q. Who was the chief engineer at the time that that fifty-eight miles was constructed?—A. I think that at that time each division had its engineer in charge. I am not positive whether it was Mr. Evans who was engineer of that division. We had some ten or fifteen engineers on the different divisions.

By Mr. SWANN:

Q. Were the reports of those resident engineers on the different sections indorsed by the chief engineer before being submitted to the company?—A. They were not at first, because, instead of a chief engineer we kept a consulting engineer, and the work extended over so large sections of country that we had the reports made direct to the office. Subsequently the chief engineer became a member of Congress, and it took too long to get things round. The reports were generally submitted to him and he signed them.

Q. Did he sanction them?—A. He sanctioned all the reports on which payments were made. I think that most of the reports were submitted to him.

Q. And they came in as the reports of the chief engineer?—A. We made, at first, each man chief of his own division. We thought two hundred or two hundred and fifty miles was about as much as any engineer could attend to.

Q. What I want to know is, whether the chief engineer was responsible for the reports?—A. Yes; he was responsible to the company.

Q. And no disbursements were made except under the order of the chief engineer?—A. They were made on his estimates. I su ppose his subs made them up and had them sent.

Q. You are not able at present to give the name of the chief engineer?—A. I am not positive whether General Dodge was then chief engineer or not.

Q. Was General Dodge then a member of Congress?—A. No; he was elected afterward.

Q. How long afterward?—A. I do not recollect.

By the CHAIRMAN:

Q. In regard to this Hoxie contract, I find that it contains a provision that the Union Pacific Railroad Company was to pay for work done under it at the rate of $50,000 for every mile completed. Explain in what way, if any, the company would have been wronged by the extension of the Hoxie contract over this fifty-eight miles.—A. The Hoxie contract was made (with no one interested in it) as a *bona-fide* contract. The parties who became subsequently interested in the Hoxie contract and in the Credit Mobilier, became directors of the Union Pacific Railroad Company; and then, to extend that contract over a piece of road

that was already completed, was simply letting the contract to themselves.

Q. Would that operation, extending the Hoxie contract over the road already completed, make the work cost the company any more than it cost under the Boomer contract?—A. The actual cost of that fifty-eight miles was about $27,500 a mile, fully equipped.

Q. Have you now the next contract that was made?—A. Yes; the next was the Williams contract.

Q. By whom was it made?—A. By J. M. S. Williams. It was a proposition adopted by the board. I find the following entry in regard to it:

"On motion, the proposition of Mr. Williams was adopted, with the following proviso: That $7,500 per mile be reserved out of the payment."

The proposition of Mr. Williams as follows:

"NEW YORK, *March* 1, 1867.

"*To the directors of the Union Pacific Railroad Company:*

"GENTLEMEN: I would submit the following proposition, to wit, to build your road from the end of the one hundredth meridian of longitude to the base of the Rocky Mountains, at the Crow Creek Crossing, 267$\frac{57}{100}$ miles. For the first hundred miles, at the rate of $42,000 per mile; for the balance, 167$\frac{57}{100}$ miles, at the rate of $45,000 per mile. All to be built and equipped to the satisfaction of the Government commissioners and your board, I agreeing to procure subscriptions for stock to the amount of one and a half millions, or one million five hundred thousand dollars. The Union Pacific Railroad Company shall transport all materials required for me on the road completed and used by the company, at rates to be agreed upon. Payments to be made on monthly estimates as the work progresses.

"Yours, respectfully,

"JOHN M. S. WILLIAMS."

Q. Was that accepted by the board?—A. Yes, sir.

Q. Have you the resolution accepting it?—A. Yes, sir; here is the copy of it.

"*Resolved*, That the President *pro tempore* be instructed to have a written contract made with J. M. S. Williams, in conformity with his written proposal, accepted by the board this day, and that the same be recorded in full on the minute-books of this company."

Q. Was the contract entered into pursuant to that resolution?—A. It was not.

Q. Why was it not?—A. We got another injunction.

Q. Who got the injunction?—A. I did.

Q. Where?—A. From Judge Wells, of New York.

Q. Does that proposition of Mr. Williams, to which you have just referred, cover road that had been already constructed under previous contracts?—A. I think that my protest explains that. I will read my protest of March 27:

"UNION PACIFIC RAILROAD OFFICE,
"*March* 27, 1867.

"*To the directors of the Union Pacific Railroad Company:*

"GENTLEMEN: I protest against the resolution of the board of directors, passed at your last meeting, which proposes to give the contract of the road of this company, commencing at the one hundredth meridian of longitude, for the reason that a section of road, already accepted, is

included in the contract, and it does not appear that this company derives any benefit adequate to the price paid over the cost of construction, and does not in future require, as an essential point in the contract, the completion of the road within the shortest possible time, and for other reasons named in a previous protest in relation to the Hoxie contract.

"I beg to call your attention again to the fact that part of this work has been done for weeks, and that contracts have been made, and merchandise delivered, for nearly one hundred and fifty miles of road which the company has paid for, as shown by the books.

"Respectfully,

"THOMAS H. DURANT."

Q. State whether or not the facts stated in that protest were true.—A. They were; and the facts stated in the former protest were also true. I will say, in regard to this, that there was a proposition to include in this proposition to take a certain amount of stock, which would in part do away with some of the objections in the first protest; but as Mr. Williams at that time had made an assignment of his contract, in case he obtained it, to the Credit Mobilier, it was simply contracting with themselves again.

Q. Have you a copy of that assignment made by Mr. Williams to the Credit Mobilier, or agreement, or whatever it may be?—A. I have a copy of the resolution adopted by the Credit Mobilier on the 27th of March, 1867, to the effect that the contract proposed to be made by J. M. S. Williams for building 257 miles of road is guaranteed by the company, and that the company accept the assignment proposed by J. M. S. Williams. That last protest of mine met the same fate as the other one. It was expunged from the minutes.

Q. What has become of those proceedings which you instituted for the purpose of enjoining the execution of this contract?—A. The case never has been withdrawn, and never has been acted on.

Q. Is it still pending in court?—A. I do not know whether it is pending or not. It was dropped. Judge Wells died, and by the terms of my complaint I think I agreed to withdraw the injunction, provided the board of directors would make no contract to which every stockholder of the Union Pacific Railroad Company would not give his written assent.

Q. I want to know whether there was any work done or money paid in the Williams contract to which you have just referred?—A. No, sir.

Q. What was the next step taken by the Union Pacific Railroad Company toward contracting for the construction of the road?—A. The next step that amounted to anything was the contract with Oakes Ames.

Q. When was that contract entered into?—A. The board passed a resolution on the 16th of August, 1867.

By Mr. HOAR:

Q. Was there any advertisement for biddings in the ordinary course of business?—A. Notices were sent to all the large contractors.

Q. Was there any advertisement for bids to the public at large?—A. I do not recollect.

Q. Have you a copy of the Oakes Ames contract?—A. Yes. I now produce a true copy of the Ames contract. (Exhibit No. 7.)

Q. Have you the assignment of that contract, or a copy of it?—A. Yes. I produce a true copy of that assignment. (Exhibit No. 8.)

Q. Were proxies given by the stockholders of the Credit Mobilier, who were stockholders in the Union Pacific Railroad Company, as contem-

plated in the tripartite agreement or assignment of the Oakes Ames contract?—A. Proxies were given. There was a committee appointed to vote on all these proxies.

Q. State as a fact, independent of the books, whether such proxies were given.—A. I think they were, to a certain extent.

Q. Do you know to what extent?—A. I do not. The minutes of the election of the board of directors will tell. I am positive there was such a paper, but I cannot find a copy of it.

Q. Where should that paper be found?—A. It ought to be found with the papers of the trustees. At a meeting on January 22, 1868, Mr. Boomer offered a resolution that Oliver Ames be directed to vote the proxies held by that committee at the annual meeting of the stockholders of the Union Pacific Railroad Company, to be held that day, in favor of holding the next annual meeting at the office of the company in the city of New York.

Q. From that entry, are you able to state that there was a separate paper?—A. I think there was; I am certain there was a paper giving the proxies. It was simply in accordance with the tripartite agreement.

By the CHAIRMAN:

Q. What percentage of the Union Pacific Railroad stock, as nearly as you can recollect, did the stockholders in the Credit Mobilier own at the time the Oakes Ames contract was entered into?—A. I should think 75 per cent.; perhaps more. I do not know but it might be 85 per cent.

Q. Do you recollect how much stock had been issued by the Union Pacific Railroad Company at that time?—A. I think in the neighborhood of five millions; perhaps a little above that.

Q. What property or assets had the Credit Mobilier, aside from its capital stock and what it derived from its dealings with the Union Pacific Railroad Company?—A. Nothing; it had no other assets, except that they had purchased about a thousand acres of land near Council Bluffs, Iowa.

Q. Was that land purchased out of the capital stock, or out of the proceeds of dealings with the Union Pacific Railroad Company?—A. It was purchased out of the capital stock.

Q. Why was a board of trustees resorted to in connection with the Oakes Ames contract?—A. Because in the way the contract was finally adopted by the executive committee, on October 1, it was provided that they should have the written assent of all the stockholders of the Union Pacific Railroad Company. This board of trustees was simply to carry on the contract. Mr. Ames assigned it to the trustees; the company gave him a release, and the trustees carried it on virtually for the benefit of all the stockholders of the Union Pacific Railroad Company.

Q. But the trustees were trustees of the shareholders of the Credit Mobilier stock, who also held shares in the Union Pacific Railroad Company, and who would give this irrevocable proxy for six-tenths of their stock, were they not?—A. They were. There were several reasons why it was done in this way. One was, that the Union Pacific Railroad stock was increasing all the time, and it was difficult to keep track of it. Another was, that the Credit Mobilier was the guarantor of the contract. Their stockholders owned a large majority of the stock of the Union Pacific Railroad Company, and it was for the purpose of keeping track of the thing that this plan was resorted to.

Q. Why could not the Credit Mobilier do that as well as to have those trustees do it? The Credit Mobilier had a board of directors and officers, had it not?—A. That did not secure all the stockholders in the Union Pacific Railroad Company. The reason that they did not consent to that was that they wanted to protect outside stockholders who had no interest in the Credit Mobilier. Their assent was required to the contract. It was out of the power of the Credit Mobilier and of the Union Pacific Railroad to do anything without the assent of those stockholders.

By Mr. SLOCUM:

Q. For whom did the trustees, under the Oakes Ames contract, hold the profits of the contract in trust?—A. For all the stockholders of the Union Pacific Railroad.

Question repeated.—A. They held them in trust for the parties who are specified in the assignment. I mean for the interest specified in the assignment. The names are not specified.

By the CHAIRMAN:

Q. You mean the parties contemplated by the assignment?—A. Yes, sir.

Q. Is it not a fact that no dividends were paid to any stockholder in the Union Pacific Railroad Company unless he was also a shareholder in the Credit Mobilier?—A. No; I think not.

Q. Did these trustees, in making dividends, divide with shareholders in the Union Pacific Railroad Company who were not shareholders in the Credit Mobilier?—A. There were no such shareholders left out.

Q. Were all the shareholders in the Union Pacific Railroad also shareholders in the Credit Mobilier?—A. I think that every shareholder in the Union Pacific Railroad Company received his dividend from these trustees.

Q. Do I understand you to say that all persons holding shares of stock in the Union Pacific Railroad were also holders of stock in the Credit Mobilier?—A. I think they were at that time, because those who did not assent sold out their stock to the Credit Mobilier.

By Mr. SHELLABARGER:

Q. Do you mean to the Credit Mobilier, or to stockholders in the Credit Mobilier?—A. To the trustees of the stockholders.

Q. The stipulation is that no dividends or profits from the Ames contract shall be paid to any one who did not execute an irrevocable proxy. Now, were the dividends from these profits confined to the persons who did execute such a proxy, or were others allowed to participate in the profits who did not execute a proxy?—A. All who held stock outside were allowed to come in, but whether they all signed or not I do not know.

Q. Although they had not given any proxy, still they received shares of profits?—A. Yes.

Q. Was any person permitted to share in the profits under the Oakes Ames contract who did not give a proxy, whereby six-tenths of their stock in the Union Pacific Railroad Company should be voted by the trustees?—A. I do not think they all signed it.

Q. That does not answer the question. It is whether any one was permitted to share in the profits of the Oakes Ames contract who did not give that proxy?—A. I think that dividends were paid to some who had not executed proxies.

Q. Who were they?—A. I think Mr. Hazard did not execute a proxy.

Q. Do you mean, by your last answer, to say that the seven trustees violated the stipulations of the tripartite agreement, and paid profits to men who never executed a proxy for six-tenths for their stock in the Union Pacific Railroad Company?—A. I think they paid dividends to those who never executed proxies. The receipt for the dividends made them agree to the arrangement.

Q. Take that dividend list, and point out on it the men who received shares of profits under the Oakes Ames contract, who did not execute the proxies.—A. They all signed that paper, but that is not the proxy.

Q. My meaning is that you shall point out in that list the persons signing the receipt itself, but who never gave a proxy whereby their six-tenths of Union Pacific Railroad stock should be voted.—A. I cannot do that. I never paid much attention to it. I did not regard it as of much importance. All the stockholders signed that. The object of that was to keep harmony in the board, and not to have the election of directors contested at the next election.

By the CHAIRMAN:

Q. Does this document show the names of all the stockholders in the Union Pacific Railroad Company, at the times these dividends were paid?—A. It includes all who were stockholders in the Union Pacific Railroad Company at the time the Ames contract was made, and this first dividend paid, with the exception of a few shares that were owned by the Credit Mobilier, and which may have been in the names of other parties, not having been transferred; and with the exception of three or four stockholders to the amount of three or four hundred dollars, who did not come in.

Q. Then that shows substantially the stockholders of the Union Pacific Railroad Company at the time the dividends were paid?—A. Yes, sir.

Q. And it also shows all the stockholders of the Credit Mobilier?—A. It does.

Q. And the amount which they respectively held?—A. Yes, sir.

Q. As this was for all the stockholders, what was the necessity of interposing this board of trustees?

The WITNESS. Who would carry on the contract?

The CHAIRMAN. Why would not the Credit Mobilier carry it on?

The WITNESS. At the time the contract was made, the Credit Mobilier did not own the stock; besides, the Credit Mobilier had no funds.

Q. At the time the contract was made it was contemplated that the Credit Mobilier or the stockholders in the Union Pacific Railroad Company should hold all the stock?—A. I do not know that.

Q. It was the purpose of this stipulation, with the Oakes Ames assignment, either to cut out the Union Pacific Railroad shareholders, or compel them to come into the Credit Mobilier?—A. O, no; it left the option with them. For instance, a man might come in and say that he had five shares of Union Pacific Railroad stock and would not come into this Credit Mobilier, and would object to going on with the contract.

Q. But suppose such persons did not go in, where was the necessity for their going in if they were to get their share in the profits whether they went in or not?—A. It was very difficult to go on with the work as rapidly as we wanted to go. The Credit Mobilier had exhausted their money and assets. The guarantee was all well enough. The Union Pacific Railroad Company could not object to taking the guarantee, as that company owed the Credit Mobilier some two millions of dollars, and

still does, I believe. We wanted more credit than we could get from that corporation. The thing looked very well. By adopting this course we made every man that came in liable individually for his whole fortune to carry out that contract. The trustees felt that they had something to back them—fifty millions instead of a corporation that had no funds on hand. The idea was to make every man a copartner.

Q. I thought, from what was stated before, that the idea was to get rid of individual responsibility.—A. In the first contract with Hoxie that was the idea, but then nobody would go in. After this Oakes Ames contract everything had changed. Then the securities of the Union Pacific Railroad Company could be sold. The moneys of the Credit Mobilier had beeen exhausted, and parties were willing to come in and take the chances of the Oakes Ames contract, as it looked to be a profitable investment.

Q. As the Credit Mobilier was represented by certain stockholders, and as those same stockholders were to participate in the profits of this contract, I would like to have you explain why it could not have been carried on by the Credit Mobilier without the intervention of trustees.—A. If it were done by the corporation there was no liability at all. If you held $100,000 of stock in the corporation, and the corporation failed for $10,000,000, you only lost the amount of stock held by you; but if the trustees failed in this contract every stockholder was individually liable for all that he was worth.

Q. Then the object was to make every individual liable for the performance of the contract?—A. That was my object. There was some feeling as regards the Credit Mobilier. They had been somewhat disappointed in not having a contract, and they wanted to have a voice in the matter some way.

Q. Had the Credit Mobilier been taxed, by the State of Pennsylvania, on dividends that had been declared?—A. Not at that time; it has been since.

Q. Was it not proposed at that time to tax the Credit Mobilier on its dividends?—A. O, no; it had not dividends enough then.

Q. Had there not dividends been declared?—A. It had paid taxes on those that had been declared.

Q. Was not a part of the purpose, at least, in making this change, to avoid the payment of taxes to the State of Pennsylvania?—A. No, sir; that did not enter my mind at all.

Q. Was there nothing said about it?—A. Not to me.

Q. Did you ever hear that matter mentioned?—A. I have heard it in connection with those suits; which suits were decided in favor of the corporation.

Q. Was not that contract entered into for the purpose of avoiding the payment of taxes to the State of Pennsylvania?—A. No, sir.

Q. Was that no part of the purpose?—A. No, sir; after my injunction and quarrel with the Credit Mobilier, as long as I owned a share of stock in the Union Pacific Railroad Company, I would not have made that contract if the Credit Mobilier were to have it.

Q. When payments were made on account of this contract by the Union Pacific Railroad Company to the board of trustees, in what were those payments made?—A. The payments were made in cash.

Q. Those trustees did receive bonds of the Union Pacific Railroad Company, I believe?—A. They purchased them.

Q. And they received stock?—A. They purchased the stock, too.

Q. Please inform the committee how that thing was done.—A. Whenever the trustees wished to make a purchase, they made the Union Pacific

Railroad Company an offer for a certain amount of securities, fixing the price.

Q. Why were not those bonds taken on the contract in payment for the work performed under the contract, instead of buying from the company?—A. Because the railroad company, after the time of making the contract, expected to get a higher price for their bonds than the market price at that time, and they preferred to sell their own securities.

Q. But some of the trustees purchased the bonds from the company?—A. Only a small portion of them, not one-tenth.

Q. I understood you to say a moment ago that the Union Pacific Railroad Company paid these trustees for the work done under the Ames contract in cash?—A. Yes, sir.

Q. And you say that the trustees purchased bonds and stock from the Union Pacific Railroad Company; is that so?—A. Certainly. They subscribed to the stock regularly, through their treasurer, and paid for it.

Q. In money?—A. In money, I think.

Q. When this stock and these bonds were purchased by the trustees from the Union Pacific Railroad Company, was the price fixed?—A. Yes, in every instance.

Q. Where was the necessity for going through with that kind of circumlocution?—A. Simply to keep the books straight.

Q. The company owed these trustees for the construction of the road, did it not?—A. Certainly.

Q. They agreed about the price of their bonds?—A. Yes; from time to time.

Q. And agreed upon the price of the stock?—A. O, no; the stock was always at par.

Q. Then why not take the bonds and stock in satisfaction of what the Union Pacific Railroad Company owed the trustees an account of the performance of the contract?—A. The contract provides that the Union Pacific Railroad Company shall pay a certain amount in cash. The company chose to sell their own bonds. If they sold enough bonds to conclude the whole thing, well and good. If they did not sell but one-half of what they wanted, the Union Pacific Railroad Company was still obliged to pay cash. But the trustees, under the Oakes Ames contract, desired to have stock enough, and they came in and subscribed at par.

Q. In selling those bonds the Union Pacific Railroad Company sold some of them to these trustees?—A. Yes, sir; generally with the privilege of taking them back if the company could get a higher price for them. The object was to give the company the chances of the bond-market all to itself. But sometimes, if they sold the bonds to the trustees, and if the trustees put the bonds on the market as rapidly as they required money, they might have affected the price of the bonds.

Q. Then the effect of this mode of doing business was, that the trustees would buy bonds from the company and pay cash for them?—A. In a few instances.

Q. Did they get bonds in any other way?—A. In no other way than by paying cash for them.

Q. All the bonds that the trustees had they got by purchase from the Union Pacific Railroad Company?—A. Yes, sir.

Q. And all the bonds that were distributed as dividends or allotments——A. Were bonds which they purchased and paid for.

Q. Then the trustees paid over the money for these bonds to the company?—A. Yes, sir.

Q. And the company paid the money back to the trustees on account of the contract?—A. They paid on the engineer's estimates. They paid by exchange of checks.

By Mr. HOAR:

Q. State whether at the time of these receipts, in January, 1868, and immediately afterward, that have been put in evidence, given to the trustees of the Ames contract, those trustees had not, by virtue of the arrangement, acquired the entire control of the Union Pacific Railroad?—A. Most assuredly they ought to have. The stockholders had the control.

Q. Had not the trustees under the Ames contract received from the stockholders of the Union Pacific Railroad Company proxies authorizing them, as a condition for receiving their dividends, to vote six-tenths of the stock of each man?—A. Yes; in the election of directors.

Q. So that at that time the entire control of the Union Pacific Railroad Company was vested in the trustees?—A. So far as the election of directors was concerned.

Q. That involved the whole control?—A. O, no. Stockholders, at their meetings, could do what they chose.

Q. Is there any limitation in this condition to voting on the election of directors? Is it not an irrevocable power of attorney to vote generally? Look at it in the 5th specification.—A. (After reading the paper.) This agreement can be construed that way.

Q. Did not the persons signing the receipts for these dividends agree to be bound by all the terms and conditions of that agreement as a part of their receipt?—A. Yes, sir; they did. They made the trustees their agent.

Q. But one of the terms and conditions of that agreement was to get that irrevocable power of attorney to vote on six-tenths of the stock of the person receipting for the dividend, was it not?—A. Yes, sir.

Q. Then it is true, is it not, that this agreement involved the transfer to these trustees of the entire control of the Union Pacific Railroad Company, so far as that control could be exercised by its stockholders?—A. It appears so from this.

Q. Do you say that the purpose of this transaction was, in large part, to make the persons who entered into and took dividends under it liable as partners, so that they had individual liability, instead of the mere liability of the corporation known as the Credit Mobilier? Was that purpose explained to all the persons to whom these dividends were paid?—A. It was talked openly that we had $50,000,000 to back us. I do not know about any explanation being made, as I was in Europe at the time these dividends were paid.

Q. Have you anything that causes you to believe that the women whose names appear on this list as persons who received these dividends had it explained to them that they were made liable in all their private fortune for the contracts of these trustees?—A. All the stockholders understood it. I never conversed with any one who did not understand it.

Q. A good many of them seem to have signed this receipt by attorney?—A. Yes; but most of those had signed a separate document previously agreeing to it.

By the CHAIRMAN:

Q. What amount of money in all was distributed to the stockholders of the Credit Mobilier on account of this Oakes Ames contract?—A. The amount of money distributed in cash was $3,375,000.

Q. What amount of Union Pacific Railroad bonds was distributed in the aggregate?—A. Five million eight hundred and twelve thousand five hundred dollars at par.

Q. What amount of Union Pacific Railroad stock was distributed in the aggregate?—A. Eleven million two hundred and fifty thousand dollars at par. But that stock dividend included something belonging to the Davis contract. The estimate for that stock dividend was made on 713 miles of road, on an expenditure of $60,000,000, whereas the Ames contract involved only an expenditure of $45,000,000 or $46,000,000.

Q. State whether the Credit Mobilier had also the benefits of what you have spoken of as the Davis contract.—A. The Davis contract was assigned to the same trustees.

Q. These amounts that you have given, money, stock, and bonds, do they represent the profits to the shareholders of the Credit Mobilier on a capital stock of $3,750,000? Were they dividends on account of their being stockholders to that amount?—A. They were on account of their being stockholders in the Union Pacific Railroad Company.

Q. Can you tell what proportion of this amount of stock that was divided is properly applicable to what was derived from the Oakes Ames contract?—A. The Oakes Ames contract amounted to about $45,000,000 or $46,000,000. These dividends were paid on $60,738,863, less $5,000,000.

Q. Would the proportion of this dividend of stock properly applicable to the Ames contract be as 45 to 55?—A. Yes, sir.

By Mr. HOAR:

Q. Do the money, stock, and bonds of the Union Pacific Railroad Company, which you have described, constitute all that was divided to these stockholders in the Credit Mobilier?—A. Yes, sir.

Q. Was there nothing else divided but these three things, stock and bonds in the Union Pacific Railroad and money?—A. Nothing else.

Q. There never was any division of specie from any of the Government bonds?—A. No, sir.

Q. What has been the average price of the first-mortgage bonds since their first distribution?—A. From 80 to 85.

Q. At the time of the distribution what was their price?—A. I think it would average 85. I think, however, that the trustees paid par for them.

By the CHAIRMAN:

Q. Was there an increase of the stock of the Credit Mobilier at any time; if so, when and to what extent?—A. The capital stock was $2,000,000 on March 15, 1865. On September 21, 1865, it was increased to $2,500,000. The next increase was in the fore part of 1867, I think, and that increase was $1,250,000.

Q. How was that stock disposed of?—A. It was distributed to the stockholders of the Credit Mobilier *pro rata*, according to the amount of old stock they held.

Q. Did the stockholders pay for that stock; and if so, at what rate?—A. They paid for it at par. The terms of payment were 25 per cent. on February 22, 25 per cent. on March 15, 25 per cent. on April 5, and 25 per cent. on April 26.

Q. Were any persons outside of the then stockholders in the Credit Mobilier allowed to have any of that additional stock?—A. Yes; parties took their stock and sold it.

Question repeated.—A. No one took it unless those who were shareholders.

Q. And they could do what they pleased with it after they got it?—A. Yes, sir.

Q. You increased the stock for the purpose of getting money to carry on the work?—A. Yes.

Q. Have you a statement to show the earnings of the Union Pacific Railroad, gross and net, annually, since its completion?—A. I have not.

Q. Can you give the committee a statement of the amount of interest which the Union Pacific Railroad Company is now paying annually?—A. I cannot.

Q. Are you acquainted with Anna M. Dodge?—A. I have seen her; she is the wife of General Dodge, chief engineer of the company.

Q. She is a stockholder in the Credit Mobilier, I believe?—A. Yes, sir.

Q. Do you know who paid for her stock?—A. I do not. She purchased her stock after I had anything to do with the books.

Q. Did she purchase that stock from the Credit Mobilier?—A. I cannot tell you.

Q. Look at the stock-ledger and see from whom she got it.—A. (Referring to the book.) This stock-ledger shows that she got the stock by new subscription, February 29, 1869.

Q. Refer to the cash-book, and see whether corresponding cash was paid in on that day.—A. (After referring to the book.) According to the cash-book, which was kept by Mr. Ham, it appears that she paid $10,000 the 29th of February, 1868, on account of the capital stock of the Credit Mobilier, for which she got 100 shares of stock, in certificate number 372.

Q. To whom was that money paid; who was the officer of the Credit Mobilier who would receive that money?—A. The treasurer or assistant treasurer.

Q. Who was he at that time?—A. I think Mr. Ham was. She may have purchased it before, but that is the date of the transfer of the certificate, and the date of the payment.

Q. From whom did she get that stock?—A. From the company. It was an original subscription to the company.

Q. How does it happen that she was permitted to subscribe for stock at that date?—A. I am not positive that every stockholder took all his stock at first. There was some left in the treasury. Mr. Ames or Mr. Alley, or some one, gave a paper to some of the large stockholders to sign, consenting to distribute what stock there was in the treasury. I think I signed the paper, and this may have been some of that stock.

Q. Is there any further explanation of that transaction?—A. I do not know anything more of it.

By Mr. HOAR:

Q. Be kind enough to give to the committee all the information in your power in reference to the subject-matter of the question why it was that Mrs. Dodge was authorized to take that stock.—A. I am not an officer of the company, and cannot answer that question. Her husband was chief engineer of the road.

Q. Have you given the committee all the information in your power on that subject?—A. Yes.

Q. You say that her husband was chief engineer of the Union Pacific Railroad Company?—A. Yes, sir.

Q. Is it your understanding that if he had not been chief engineer of the railroad his wife would have been permitted at that time to take that stock at par?—I do not know. I had nothing to do with the Credit Mobilier at that time.

Q. You say you think that somebody brought you a paper and requested you to sign it, authorizing that to be done?—A. It was a paper giving the consent of the large stockholders to distribute any stock there was in the treasury.

Q. At that time you had no doubt that that stock was valuable much beyond its par value?—A. The stock itself was not, but the rights it carried under the Oakes Ames contract were.

Q. Now, was not the permitting a person at that time to take this new stock at its par value equivalent to diminishing by just so much the profits of the remaining stockholders?—A. Yes; but the capital had been fixed at $3,750,000, and the dividends were predicated on that.

Q. But if no new stock had been subscribed for, there would be just so much more to divide among those who remained?—A. Certainly. But the original stockholders were willing to allow this to be done. In most of the cases, at the time of distributing this stock, there had been a good deal of stock promised. Some parties had taken their stock and sold it, but had not made the transfer, and then, as usual in all cases where there comes to be a dividend, every one looks for his stock.

Q. When Mrs. Anna M. Dodge was allowed to subscribe at par for these one hundred shares of stock, were you not aware that it was equivalent to giving her a valuable property of two or three times the par value of the stock?—A. She may have subscribed for it some months previously.

Q. Then, unless there had been some previous right to it on her part, you were aware that it was equivalent to giving her a sum equal to two or three times the par value of the stock?—A. Yes, sir.

Q. Were you informed at the time you signed that paper that there had been any such previous promise to Mrs. Dodge, so far as you now recollect?—A. I had been informed that there were previous sales of stock, but that it was difficult to deliver it.

Q. Did you believe at the time you signed that consent that there had been any such previous contract made with Mrs. Dodge?—A. I did not state that Mrs. Dodge was embraced in that consent to distribute, but I suppose she was.

Q. My question is, whether at the time you signed that consent you were told that there had been any previous contract made with her, so far as you now recollect.—A. I do not recollect that her name was mentioned.

Q. Do you believe that the motive of allowing that subscription to be taken by her was because her husband was chief engineer of the road?—A. I do not.

Q. You mentioned the fact that he was.—A. Yes; because you asked me who she was.

Q. I asked you what the motive was, and you said that her husband was chief engineer of the road. Do you believe that the fact that her husband was chief engineer of the road induced the allowance of this subscription on her part at that time?—A. I do not think it did. He was always speculating in stock and bonds.

By Mr. SLOCUM:

Q. Did that stock carry back dividends with it?—A. The first dividends were not paid to her on that stock. It appears, by the books, that the first dividend she received was on June 3, 1870.

By the CHAIRMAN:

Q. Will you furnish the committee with a copy of the Davis contract of which you spoke?—A. The Davis contract was made on November 1, 1868. Here is a copy of the contract. (Exhibit No. 9.)

Q. Was that contract assigned to the Credit Mobilier?—A. It was not. It was assigned to the same seven trustees who held the assignment of the Oakes Ames contract.

Q. Have you a copy of that assignment?—A. The assignment is here. (Also marked Exhibit No. 9.)

Q. What was the whole cost to the Union Pacific Railroad Company, of the construction of this road?—A. I cannot answer that question. I have not the data on which to answer it.

Q. Do you know anything of the disposition of any of this Credit Mobilier stock, other than what you have spoken of here in your answers to questions put to you?—A. I know what stock was originally subscribed for, and the books show the rest.

Q. Do you recollect that Secretary McCulloch at any time would not accept the report of the commissioner appointed by the Government to examine the road, and that he refused to issue bonds to the road on account of it?—A. I recollect that there was some difficulty about the Government issuing bonds without having another examination made.

Q. Did you come to the city of Washington with Mr. Brooks, then one of the Government directors, for the purpose of getting that road accepted, to the end that the bonds might be issued to the company?—A. I came with Mr. Brooks to see what the trouble was. I called upon him as a Government director.

Q. Did Mr. Brooks at that time, or at any other time, offer to get that acceptance of the road in consideration of your giving him fifty shares of Credit Mobilier stock?—A. No, sir.

Q. Did nothing of that kind occur between you and Mr. Brooks?—A. Nothing of the sort.

Q. Did you employ Mr. Simeon Johnson to aid you in that behalf?—A. No, sir.

Q. Or anybody else?—A. No, sir. There were, I think, at least twenty people running after me, representing that they knew the best thing to be done. A great many people applied, knowing that we wanted our bonds, and offered to show us how we could get them. I dispensed with the services of every one of them that we could possibly get along without.

Q. Did you bring Mr. Brooks over here, or did he come over here, for the purpose of aiding you to have the work accepted?—A. He came over here as a Government director.

Q. Did he come over to assist you in getting the work accepted by the Government?—A. Yes, he came to see what was required; what the Government wanted.

Q. But you never agreed to give him fifty shares of stock, or any other number of shares of the Credit Mobilier stock?—A. I never agreed to give him a cent. I think he was entitled to his *per diem* pay; whether he got that or not, I do not know.

Q. You say that you never employed Mr. Simeon Johnson?—A. No, sir. Mr. Johnson had offered his services, and afterward brought me a note, after he found that the bonds had been delivered. The note was from somebody purporting to be private secretary to the President, (I do not recollect the name.) The note was dated "Executive Mansion," and stated that Mr. Johnson had done good service in getting the bonds. But as it happened that we had got the bonds by an arrangement, deposit-

ing security for them, I knew that that statement was all a hoax, and I paid no attention to it. The person sending the note did not sign his name as private secretary, but I presumed from the heading of the note that he was such.

By Mr. SLOCUM:

Q. It was a note written on one of the blanks used at the Presidential Mansion?—A. Yes; and I inferred that it was from the private secretary of the President.

Q. Under whose administration was that?—A. Under Andrew Johnson's administration.

By the CHAIRMAN:

Q. But you say that you never agreed to give Mr. Simeon Johnson any number of shares of stock, or employed him in your service?—A. Not that I recollect.

Q. When Mr. Johnson came to you afterward, what was it that he demanded of you?—A. My remark to Mr. Johnson was that we had our bonds. He asked me how I knew that. I said that I had learned it from Mr. Brooks. He then made the remark, "Mr. Brooks has got ahead of us."

Q. But he did come and demand of you some bonds?—A. I do not know that he demanded any bonds. He wanted some payment for his services; I think $500.

Q. Did he not demand of you fifty shares of stock?—A. No, sir.

Q. No bonds?—A. No, sir.

Q. Did you ever deliver fifty shares of stock in the Credit Mobilier to Mr. Brooks?—A. No, sir. I transferred to Mr. Neilson, his son-in-law, one hundred shares.

Q. Did you transfer to Mr. Neilson any other stock?—A. I think I transferred at the same time two hundred shares Union Pacific Railroad stock.

Q. Anything else?—A. I gave him five Union Pacific Railroad bonds.

Q. Anything else?—A. Nothing else.

Q. On what account did you make that transfer to Mr. Neilson?—A. In settlement of a contract, a bargain, a claim, of Mr. Brooks, made prior to the Oakes Ames contract.

Q. What was that bargain with Mr. Brooks?—A. At the time of the increase of this capital stock of the Credit Mobilier, the parties who took the new stock were not only obliged to pay for it at par, but were obliged to lend an equal amount of money to the company for four months.

Q. What was the contract between you and Mr. Brooks, on which you made this transfer to Neilson?—A. An agreement at the time that he should take stock.

Q. He agreed to take stock of the Credit Mobilier at that time?—A. Mr. Brooks was very anxious to help the thing along. This was before he was appointed Government director, and hearing me say that we wished we could dispose of five or six hundred thousand dollars of this Credit Mobilier stock, and that if we could not do better I would give 5 per cent. for placing it, he undertook to place it, and he went to different parties to induce them to take it. During the time he was trying to negotiate it, he proposed to take one hundred and fifty or two hundred shares himself.

Q. Did he take them?—A. I agreed to let him have them.

Q. Did he pay the money for them?—A. He did not pay the money at that time.

Q. When was that?—A. That was some time between February and April, 1867.

Q. Did he ever pay any money on that stock?—A. Yes; when he took it, he paid the money. At the time we made the Oakes Ames contract, Mr. Brooks came to me, and wanted that we should give him $20,000 worth of the Credit Mobilier stock, two hundred shares, saying that he had agreed to take that amount. I begged to correct that statement, and I refused to let him have the stock, claiming that I was not obliged to let him have so much. After a good deal of discussion, I compromised the trade with him, and gave him one hundred shares of the stock, two hundred shares of the Union Pacific stock, and five bonds. Then I got a release from him from the other one hundred shares that he claimed.

Q. Was that release in writing?—A. No, it was a mere verbal statement, and I ordered the stock transferred.

Q. When was it that Mr. Brooks claimed that that contract was made between him and you, entitling him to two hundred shares of Credit Mobilier stock?—A. It was at the time that he was trying to place the stock. That was between February and April, 1867.

Q. When was it that he came to you and insisted upon a settlement of that matter, or that you made this compromise of which you have spoken?—A. He insisted upon it all through the month of December. I settled with him, I think, on the 26th of December, 1867.

Q. You say he paid for that stock?—A. Yes; he paid $10,000.

Q. This was a prior contract, before the Oakes Ames assignment. How did it happen that that stock was transferred to Mr. Neilson?—A. When we came to settle, he said, "I have just been appointed a Government director of the Union Pacific Railroad Company, and I cannot take any Pacific Railroad stock myself, but I have disposed of it," and so it was transferred to Mr. Neilson.

Q. Had the capital stock of the Credit Mobilier been increased before that time?—A. Yes.

Q. Did Mr. Neilson get fifty additional shares in consequence of the increase?—A. He got fifty additional shares. I do not know how he got it. At that time I had nothing to do with the Credit Mobilier.

Q. You do not know how he got these additional shares?—A. I suppose he got them by paying for them.

Q. Have you any knowledge on the subject?—A. Only from the dividend-books, by which I see that he collected a dividend upon the fifty shares. Mr. Brooks was not fully satisfied with the settlement.

Q. He was wanting more?—A. He thought he ought to have had more at the time that we compromised on one hundred shares.

By Mr. SWANN:

Q. Was the transfer to Mr. Brooks made by order of the board?—A. No; it was transferred from my own stock.

By the CHAIRMAN:

Q. Had you paid for that stock to the company?—A. O, yes; the stock was all paid for.

Q. Have you brought a suit against Mr. Brooks in the city of New York, or against anybody else, for the purpose of recovering these one hundred shares of stock?—A. No, sir.

Q. Or recovering any stock?—A. I asked the Credit Mobilier to sue Mr. Ames for any stock which he claimed to have delivered and dis-

tributed, but which he had not sold; and I also asked them to sue Mr. Brooks for these fifty shares. I claimed that if Mr. Neilson had got these fifty additional shares under any supposed agreement of mine, he ought to be made to return them, or be sued for their value.

Q. Then you have brought a suit?—A. I have had the papers made out. They have not been served on all the parties yet. I have issued a summons or complaint, but the papers have not been served on all the parties.

By Mr. HOAR:

Q. Who is the plaintiff in the suit?—A. I am. I sue as a stockholder of the Credit Mobilier.

Q. That suit is on account of those fifty shares of stock?—A. It is on account of the fifty shares which, I have been informed, Mr. Neilson received.

Q. Had the stock which is in controversy in this suit anything to do with any agreement on your part with any person to assist you in procuring the acceptance by the Government of this road or any part of it?—A. O, no; none whatever. That was long prior to this time.

Q. I understand you to say, then, that at no time did you make any agreement with anybody to give fifty shares of Credit Mobilier stock in order to get assistance?—A. Not a dollar of bonds nor a dollar of stock.

By Mr. SWANN:

Q. Was Mr. Brooks at that time a member of Congress?—A. I think he was; I am not positive. It was not for congressional services, however, that he earned it, or expected to earn it. I had no idea we should ever have anything before Congress.

Q. Do you know anything about this Mr. Simeon Johnson?—A. I do not know who introduced him to me.

Q. What was his position here; was he a claims-agent?—A. I do not know.

Q. You do not know anything about his connection with the Departments?—A. No, sir.

By Mr. SHELLABARGER:

Q. What was the Credit Mobilier stock worth in December, 1866; what could it have been sold for to those gentlemen who knew its value?—A. From 85 to par.

Q. What was it worth on January 5, 1867?—A. You could have got it for considerably less than par.

Q. To those who knew its value, and the prospects of the company and the Union Pacific Railroad, what could it have been bought and sold for?—A. From 90 to 95.

Q. What was it worth in May, 1867?—A. It was not worth above par. It had never been sold above par.

Q. Has it been on the stock-boards?—A. No, sir; it has never been on the stock-board.

Q. What was it worth in June, 1867?—A. It was not worth any more.

Q. When did it first advance in value?—A. After the Ames contract was made.

Q. How soon after?—A. After that the Ames contract was assigned, so that the stockholders of the Credit Mobilier had an interest in it.

Q. When did you first survey the region that is spoken of in the act

of Congress as the Rocky Mountains?—A. I think we made our first surveys in the fall of 1863.

Q. When was the pass discovered and ascertained that was adopted for the construction of the line of your road; I mean in that region on which you drew $48,000 a mile from the Government?—A. The pass in the Rocky Mountains was not established, at the point where our line crossed, until afterward.

Q. When was the character of that portion of the road which is spoken of in the 11th section of the act of 1862 as one hundred and fifty miles westward from the eastern base of the Rocky Mountains, first surveyed?—A. In 1863.

Q. Its character then became known to the officers of the company?—A. The general character of the country became known, but we surveyed half a dozen routes to see how we could best get through.

Q. The route that was in fact adopted became known in 1863?—A. The general route did.

Q. When did the officers of the Union Pacific Railroad Company first make a survey of that line which was in fact adopted, and on which the road was built, and which is described in the act of Congress as one hundred and fifty miles westward from the eastern base of the Rocky Mountains?—A. That is the road of the Central Pacific Company.

Q. You stated awhile ago that your road passed through what is called in the act of Congress the Rocky Mountains, and reached to that portion of the country which intervenes between the Sierra Nevada Mountains and the Rocky Mountains, and that you got $48,000 a mile on the eastern part; and you said you also got a portion of that line that drew $32,000 a mile lying between the two ranges?—A. Yes, sir.

Q. Then, my question is, when the officers of the Union Pacific Railroad Company first became acquainted with that portion of the line that is spoken of in the act of Congress as one hundred and fifty miles westward from the Rocky Mountains?—A. We were making those surveys from 1863 to 1867.

Q. The question is, not when you were making the surveys, but when you first became acquainted with the character of that one hundred and fifty miles described in my question, and on which you constructed the road?—A. We became acquainted with the general character of the country in 1863 or 1864; but we did not know whether the line would be carried one hundred miles north or one hundred miles south, and we were continually running lines to ascertain the best route.

Q. My question is, not what you found by other surveys about the general character of the country, but when the officers of the Union Pacific Railroad Company first knew the character of that route which you did adopt?—A. I think it was in 1866, or in the fore part of 1867.

Q. Then, prior to the making of the Oakes Ames contract, there had been a survey made of that portion of the road which drew from the Government $48,000 a mile?—A. There had been preliminary surveys made of it.

Q. Were those preliminary surveys made by instrumentation?—A. Yes, sir.

Q. When were the reports, profiles, and specifications made on which you let that work to Mr. Ames?—A. That is a matter of dates which I cannot speak of without referring to the engineer's report.

Q. Were those reports made in writing, with accompanying profiles and estimates?—A. Yes, sir.

Q. And these are in existence?—A. I suppose so.

Q. Where are they?—A. I do not know; I have not had anything to do with the company since 1869.

Q. Have you any information which would enable the committee to get at them?—A. I think that the maps which were sent to the New York office were boxed up and sent to Boston with the other papers.

Q. Did those reports estimate the amounts of work, including excavations and fillings?—A. I think the reports contained estimates of quantities.

Q. And on these estimates was made this contract with Mr. Ames?—A. Yes, sir; they had maps and profiles.

Q. Were those maps and profiles put up in any place for public inspection, and for the purpose of competition?—A. I do not know as to that.

Q. Were you then an officer of the Union Pacific Railroad Company?—A. I was; I was vice-president.

Q. What were your duties as vice-president?—A. I was out on the line most of the time.

Q. Your duties were active, and connected immediately with the matter of letting the work?—A. The board authorized me to let certain contracts, which I did let.

Q. Was there any advertisement published by the Union Pacific Railroad Company, inviting competition for these contracts?—A. There were various propositions made, and I think that the large contractors who were likely to take hold of such work were notified.

Q. How?—A. By letter.

Q. To whom?—A. To the parties who we thought would be likely to do such work.

Q. Who are those parties?—A. I do not know their names.

Q. Do you know that any person was written to it at all?—A. I understood so at the time.

Q. Then you speak from information and not from any knowledge that you have?—A. I know that there were other propositions made previously to that.

Q. To whom?—A. I do not recollect now.

Q. After the surveys were made and the profiles filed?—A. Yes, sir; but the board did not take particular pains to get propositions then. The propositions all came for cash, without any conditions as to the subscriptions for the stock, and it was utterly impossible for the company to raise cash enough to do it.

Q. How were your propositions made; what conditions were coupled with them?—A. There was a committee appointed to receive propositions.

Q. Do you know what conditions the propositions contained?—A. I do not; I presume that some of them may be on record.

Q. State whether any offer was made by the Union Pacific Railroad Company to anybody to take this contract, and to be paid for it out of the cash paid in by subscription to the capital stock?—A. The company, when it first started, undertook to make small contracts.

Q. I am speaking of the time when the Ames contract was let, after the surveys were made, and when there were profiles and estimates; was there any offer made to any person to take the work and be paid in money out of the money paid in for the capital stock, as required by law?—A. I do not know that there was.

Q. The original act, or the subsequent one of 1864, requires the payment of five per cent. I will read from the act, as part of my question: "The said company shall make assessments upon its stockholders of

not less than five per cent. per share, and at intervals not exceeding six months from and after the passage of this act, until the par value of the said shares subscribed shall be fully paid." Now, my question is whether, after these profiles were filed, and at the time the company was seeking to let this 667 miles that Mr. Ames got, anybody was given an opportunity to take that contract, and take their pay out of this money thus provided to be paid in on stock?—A. The company could not advertise for contracts payable in cash, because they had no cash, and the stockholders would not pay up; they would not make new subscriptions.

Q. Didn't the stockholders pay up?—A. Every stockholder of the original two and a half millions paid up in full on his stock, or the Credit Mobilier did.

Q. What was the whole amount of stock issued by the Pacific Railroad Company in all, from the beginning to the end?—A. I understand about thirty-six million dollars—about thirty-six or thirty-seven millions.

Q. Then you say the whole amount of that stock was paid in cash by the stockholders?—A. By subscribers. The first subscription for two and a half millions was paid up. The next was stock taken by the Credit Mobilier, making the capital stock five or six million dollars at the time of the Oakes Ames contract. This amount was paid and the money in the treasury. The balance was subscribed by the seven trustees.

Q. You say now that the whole amount of stock subscribed to the Union Pacific Railroad Company by all parties, from the beginning to the end, was about thirty-six or thirty-seven million dollars; when did it reach that amount?—A. Since the last rail was laid—since 1869.

Q. What amount had been subscribed to the capital stock before the 15th of August, 1867?—A. I think between five or six millions, and all paid up pretty much.

Q. That five or six millions that was subscribed and paid up had all been expended?—A. Yes, sir; in completing the road to the one hundredth meridian—two hundred and forty-seven miles.

Q. Now, then, at the time the Oakes Ames contract was made, there was, therefore, no stock of the railroad company taken by any parties except this five or six millions?—A. Yes, sir.

Q. There was, then, no agreement on the part of anybody, either corporations, Credit Mobilier, or any party, to take further stock?—A. No, sir.

Q. How came the company, then, when they had no means, no stock subscribed for or promised, to let this work out?—A. Because it was the only way they could get it done; you will see the contract itself provides the means for the completion of the road.

Q. How did the company hope to pay for the making of the road, when they had no stock either promised or paid in?—A. Because the contract with Oakes Ames guarantees in itself to the company the funds to complete the road. It proposed to take their bonds, and it agreed to pay the discount beyond a certain amount on them. It then provided that in case the bonds, the Government and first-mortgage, were not sufficient to complete the road, they will subscribe, or procure to be subscribed, at par, stock sufficient to furnish the funds to complete the road.

Q. Then, so far as that was concerned, it was an undertaking on the part of the contractors to make the road without any other amount of stock than that amount which was then subscribed?—A. No, sir; they subscribed themselves the stock to make the road.

Q. Who subscribed?—A. The trustees.

Q. Was this stock to be paid otherwise than in money?—A. No, sir; it was to be paid in money.

Q. How was the money to be raised?—A. That was their look-out. They had a party strong enough to raise the money. They were all individually liable.

Q. The subscriptions for the stock were taken by the seven trustees?—A. Yes, sir; by the seven trustees.

Q. When did the Credit Mobilier stock first advance in price materially?—A. As soon as it was known that it had an interest in the Ames contract.

Q. When did that first become known?—A. The contract appears to be dated on the day that the board passed a resolution that they would approve the contract. The details were left to the executive committee, and they approved it on the first of October, 1867. The arrangement was made known about the 15th of October. Then there was a committee sent out to see the condition of the work, and a report was made about the 1st of December, 1867.

Q. That was the time that this advance took place in the price of stock?—A. Yes, sir.

Q. What was it worth between August 15 and October 1?—A. About par or 95.

Q. Was there any understanding either directly or indirectly between Mr. Ames and the Union Pacific Railroad Company whereby he was to share in profits of the contract with other parties before it was let to him?—A. None whatever. There was no necessity for that, because every stockholder had to give his written consent to the contract.

Q. I guess you didn't understand my question. It was this: the contract with Mr. Ames was dated the 15th of August, 1867; was there any understanding between the Union Pacific Railroad Company and Mr. Ames that any profits that might be made out of his contract should be participated in by any other person than himself?—A. None to my knowledge.

Q. When did you first reach the purpose of making the arrangement that was made in October?—A. You mean the time we made the contract?

Q. Yes. When did you first fall upon the plan of letting other parties share with Ames in the profits of the contract?—A. The manner in which it was done was between the 1st of October and the 15th. We had had just then a closely-contested election for directors, and I started out there with some parties, (General Butler was one of them,) and I think he drew up the contract, he and the company's attorney, Mr. Tracy, and perhaps Mr. Bell. The day it was dated was the day they hit upon the plan.

Q. Then, at the time Mr. Ames took the contract, it was expected he would execute it according to the agreement?—A. I do not know what others thought, but I expected he would certainly. It was not a contract until the written consent of each stockholder was obtained. The resolution for the contract was adopted subject to the approval of the executive committee; the executive committee ordered it approved, subject to the written consent of all the stockholders of the Union Pacific Railroad Company.

By Mr. SWANN:

Q. How long have you been acquainted with Mr. Ames?—A. I think I first met Mr. Ames in Washington in the fall of 1863.

Q. What was his business here?—A. Member of Congress.

Q. I mean the business he was engaged in in Boston.—A. He was engaged in the manufacture of shovels. He was also interested in the construction of railroads in Iowa.

Q. How long had he been a contractor for railroads?—A. I do not know.

Q. Was he a man of great influence among the moneyed men of the North?—A. I do not know. In Boston I think he was to a very great extent.

Q. He had the power to induce a great many persons to go into the Credit Mobilier?—A. O, yes. He had four or five hundred thousand dollars in it himself.

Q. Was it your estimate of Mr. Ames that he was a very cautious man when he entered into contracts of this sort?—A. I do not think he was very cautious; he was pretty sanguine.

Q. Do you know the basis upon which he made this original contract—the facts that justified him in making such a large contract?—A. There were estimates made. I do not think there was much attention paid to them. I think the principal fact was, that the day they made the contract there was three millions profits on hand.

Q. From what source?—A. The company had gone in debt for it.

Q. The Credit Mobilier?—A. No, sir; the railroad company.

Q. And he took this contract under those circumstances?—A. They had commenced selling their bonds, but could not go on without making a contract.

Q. Do you know whether Mr. Ames was in the habit of receiving information, from the engineers in charge, of the probable cost of the work?—A. We had profiles from the engineers, and estimates were made from the profiles by engineers and officers here, so that we had an approximate estimate of a portion of the work. There was no necessity for going into estimates of the level portion.

Q. At the time of entering into that contract, had Mr. Ames an estimate of the chief engineer of the probable cost of the line that was to be constructed?—A. I can only answer that by saying that, on looking over the resolutions of the board, I find that the engineer was ordered to furnish such an estimate.

Q. You do not know whether he did furnish it?—A. I do not. I think the contract was delayed to get that estimate.

Q. Do you think that Mr. Ames would have taken that large contract without an estimate of the engineer?—A. I do not think he would without an approximate estimate.

Q. Do you know whether he had that estimate?—A. I think the company had it. I do not recollect. There were so many estimates, I do not recollect the particular ones. I know that the profiles were on the table at the time of making the contract.

Q. Do you know the amount that was estimated as the total cost?—A. I do not. I cannot recollect them.

Q. You have no memorandum of it in your books?—A. No, sir.

Q. Then he was groping in the dark when he made the contract?—A. No, sir; we had approximate estimates.

Q. Your impression is, then, he had approximate estimates?—A. Yes, sir; I do not know whether he had for the whole line or not.

Q. How were these estimates made; by the local engineers in charge of the different divisions of the road?—A. They were made from preliminary surveys first.

Q. Were those estimates certified to by the chief engineer?—A. I think they were sent direct.

Q. And the chief engineer had no supervision over them at all?—A. These men were appointed by him.

Q. Appointed by whom?—A. By the chief engineer.

Q. But I want to know whether or not the chief engineer certified to those estimates before they went to Mr. Ames.—A. I do not recollect whether they were certified to by him or not. I am not certain whether the chief engineer was not in Washington at the time. I know that the engineer's reports, profiles, and maps were on the table in the directors' room, and were being examined by Mr. Ames and the rest of them; and I know the matter was deferred several days, in order to get more information on the subject, but whether every mile of the whole 667 was estimated upon, or whether every mile of profile was there, I could not say.

Q. That is what I want to know—whether he had the aggregate cost of the road, certified to by the chief engineer, and did not trust entirely to the local engineers?—A. I suppose the local engineers were the best men to make that estimate.

Q. I want to know whether the chief engineer sanctioned those estimates when they went in to Mr. Ames.—A. The chief engineer was there a portion of the time, and explained some of the difficulties to Mr. Ames, and I suppose, therefore, he sanctioned the estimates.

Q. You never saw a general estimate of the cost of the whole work certified to by the chief engineer?—A. My dear sir, we couldn't wait for that; we built six hundred miles before the engineers and surveyors could make their estimates.

Q. Then he made those contracts without any reliable data?—A. No, sir; he made his approximate estimates, based on what had already been done.

Q. I want to know whether Mr. Ames, when he made this contract, was in possession of reliable data?—A. He was in possession of data that the road could be built.

Q. What did he base his knowledge upon?—A. Upon the reports of engineers.

Q. Had he those reports?—A. He had. There were estimates made of the feasibility of different routes, and as to which would pay the best, first, in an engineering point of view, and, second, in a commercial point of view.

Q. I understand that those estimates varied very largely upon different sections?—A. Yes, sir. Some sections could be built at the same cost for thirty miles that it would cost to build one mile of other sections.

Q. So there was no sanction by the chief engineer, that you are aware of, at the time Ames entered into this large contract?—A. I think the estimates before him were sanctioned by the chief engineer.

Q. Where were those estimates kept?—A. They were in Omaha the last I knew of them. I believe they were sent to Boston. I have had nothing to do with the company since 1869. I believe they were boxed away, as we had no further use for them after that.

Q. Didn't Mr. Ames exercise some control over those estimates; didn't they pass into his hands?—A. No, sir.

Q. He made the contract without any knowledge of what the cost of the road would be?—A. He knew the cost of what had already been built.

Q. I speak of the whole road. What was the estimated cost, as cal-

culated by the engineers from instrumental surveys; did you see those papers?—A. I think I have, but I have never seen them all together.

Q. Can you estimate from those documents what was the probable cost of the road?—A. If we waited for the estimates of all of them, we would never have got done at all.

Q. I want to know what became of the estimates of the chief engineer; whether they passed under your supervision. Is it your impression that Mr. Ames would have made this large contract without being possessed of something reliable?—A. He had estimates of the heavy portions of the road. We did not care anything about the level prairie. Anybody could have built those sections. What we wanted was the estimates of rock-work. Those he had. That was the only thing there was any trouble about.

Q. What has become of them now?—A. I presume the company has them now in its office in Boston.

Q. Don't you suppose that Mr. Ames was the custodian of those estimates at the time he made the contract?—A. Mr. Ames may have had a copy of them.

Q. The estimates of the whole line or of the different divisions?—A. The preliminary surveys.

Q. Where can the committee find those estimates?—A. Either in Boston or Omaha. They are very voluminous, and after we had no use for them we put them away.

Q. You have no knowledge of those papers being abstracted?—A. O, no. There is no reason why they should be abstracted.

Q. Well, there is very great reason why a certain state of things could have induced persons to put them out of the way. I want to know where those estimates are.—A. The present engineer of the company, whoever he is, ought to be able to inform you. General Dodge is in Texas, I believe on the Southern Pacific road.

Q. You don't know where they could be had?—A. I do not. I have had nothing to do with the company since 1869, and am not even a stockholder in it. Some of the maps may be in New York, in the loft there.

By Mr. SLOCUM:

Q. What were the duties of the chief engineer in building the road?—A. To take general supervision of the engineering department.

Q. And see that the contractors complied with their contract?—A. Yes, sir.

Q. What were the duties of the Government directors chiefly?—A. To attend the meetings, and go out on the road and see that it was properly constructed. There were no specific duties; they were to be on all the committees, and have a general knowledge of what was going on.

By Mr. SWANN:

Q. And the details were attended to by Mr. Ames?—A. No; Mr. Ames never knew anything about them. After he transferred his contract, the Union Pacific gave him a general release.

Q. He had nothing to do, then, but to receive the profits?—A. Nothing to do but to receive the profits.

By the CHAIRMAN:

Q. In addition to the dividends you spoke of a while ago, was there not a 12 per cent. dividend covering two years?—A. I think there

were two six per cent. dividends of the Credit Mobilier—not of the trustees.

Q. There were, then, either one 12 per cent. or two 6 per cent. dividends of the Credit Mobilier?—A. Yes, sir.

Q. Does this statement show all the dividends that were paid by the trustees?—A. Yes, sir.

Q. Whether on the Ames contract or the Davis contract?—A. Yes, sir.

By Mr. HOAR:

Q. The Oakes Ames contract was made by Oakes Ames, on one side, and his brother Oliver on behalf of the company?—Yes, sir.

Q. Oliver Ames was president of the company?—A. Yes, sir.

Q. And the business partner of Oakes Ames?—A. Yes, sir.

Q. He signed the contract as president of the road?—A. Yes, sir.

Q. Now, the provision of that Oakes Ames contract was, that Ames should subscribe to so much of the stock of the company as was necessary to pay him what should be due on the contract beyond what the Government bonds and the first-mortgage bonds would pay?—A. Yes, sir; precisely.

Q. The stock subscribed for by the Credit Mobilier was simply an obligation growing out of the Oakes Ames contract?—A. Subscribed by the trustees?

Q. Yes.—A. Yes, sir.

Q. So that if the Government bonds and the first-mortgage bonds had been enough to pay Ames what was stipulated on his contract, there would have been no capital stock of the company at all, except the limited amount that was first subscribed?—A. If they had been enough, the company would not have made any contract.

Q. That is not answering my question.—A. We had to issue stock for the amount the road cost over and above the Government and first-mortgage bonds.

Q. Now, Mr. Durant, I want to ask you a little more particularly as to when you were first informed of the general character of the route which was substantially that adopted through the Rocky Mountains, according to your best recollection.—A. In 1863.

Q. That route was very much better than the route supposed to be practicable at the time of the original charter in 1862?—A. Yes, sir.

Q. You were first informed of that in 1863?—A. Yes, sir.

Q. By whom?—A. Before the company was organized, I sent out parties of engineers, at my own expense, to survey the Cheyenne Pass and Timber Lake routes, and the route in Platte Valley. We did not go into estimates. They were reports as to the practicability of getting grades.

Q. Did you see any of those engineers personally?—A. Yes, sir. Their reports were all published and sent to Congress. They were submitted to the board the day it organized.

Q. You knew, then, of this improved route through the Rocky Mountains before the legislation of 1864 was obtained?—A. I knew what was known eight years previous. I knew that that route was better than the one shown in the Government surveys, and I so reported it. I knew it was a practicable route.

By Mr. SWANN:

Q. What amount was saved by this change in the route?—A. It was not a question of saving; it was a question of practicability or impra-

ticability. We simply found we had an elevation we could run a railroad over; that was what we were trying to get at.

Q. What was the difference in the estimates of the two roads?—A. I never read the estimates. I never figured the estimates of that route, as it was reported impracticable by the Secretary of War at the time.

Q. What is your opinion of the amount that Mr. Ames netted in his individual capacity by the approval of this contract?—A. I can give you that from the book.

Q. Can you not give it in round numbers?—A. No, I cannot. I would not recollect it if I heard it a dozen times.

Q. You cannot say whether it was five, four, or three millions?—A. No, sir.

By the CHAIRMAN:

Q. I will ask you if you know of any moneys that this railroad or the Credit Mobilier have used, either directly or indirectly, for the purpose of influencing or procuring the election of any person to the United States Senate?—A. I do not.

Q. Do you know of any person connected with either of those corporations at any time using money or furnishing money for that purpose?—A. Not of the company's money.

Q. Anybody's money?—A. I have furnished money for the elections myself.

Q. When did you furnish it?—A. That was my own money.

Q. I am going to examine further about that. I want to know when you furnished that money?—A. I have furnished money a good many times for elections.

Q. I am speaking of elections of Senators. How many times have you furnished money for that purpose?—A. I pay very little attention to politics. I do not know whether it was for Senators' election or not. I gave a check some five or six years ago to be sent to Senator Harlan. It was sent to some committee, but what it was for I do not know.

Q. That was pending the senatorial contest there?—A. I do not know. Some of our parties were mixing up in politics, and I was very much annoyed at the time. I refused to do anything at first, but afterward furnished them money.

Q. For what purpose did you furnish that money?—A. I could not tell you, for I even forget the committees whom I sent it to. Mr. Harlan once said to me, "Are you never going to help us in our election?" I said, "When you cannot do anything, I will do what I can."

Q. What did you furnish?—A. I gave two checks on different occasions, for $5,000 each, but it has been called to my mind by Mr. Crane that one was a subscription to some Methodist institution, and I believe now it was something of that kind.

Mr. CRANE. A Methodist college.

The WITNESS. Perhaps so.

Q. You furnished $5,000?—A. Yes, sir; and probably $10,000. There was no concealment at all. I told the young men to send the check to Senator Harlan's order. I do not know but what he was chairman of a committee.

Q. I want you to give me, as nearly as you can, the date of those transactions.—A. It was 1865 or 1866; it was a year or two subsequent to the passage of the act.

Q. Was Mr. Harlan at that time Secretary of the Interior?—A. I do not recollect whether he was or not.

Q. Do you recollect whether at the time you gave those checks he was

a candidate for the Senate from the State of Iowa?—A. I know he was a candidate. I do not know whether he was at the time, or became one afterward. I think he was at the time.

Q. Were you here when the bill was pending, growing out of your contest with Fisk, when you were seeking to move your office to Boston?—A. No, sir; because I did not think there was any necessity for moving the office to Boston.

Q. You did move your office to Boston?—A. I know they did. Those transactions must have been prior to that.

Q. Where are those checks?—A. I do not know. I presume I can find them.

Q. Do you think you can find them?—A. I presume so; it was six or eight years ago.

Q. Where do you suppose they are?—A. They are probably boxed up somewhere. It was some time ago. They may have been destroyed.

Q. Are there any books that will show the dates of those drafts?—A. I think I have them.

Q. Where are those books?—A. In New York somewhere. If they have not gone traveling, I can find them.

By Mr. SWANN:

Q. They are in your bank-book, I presume?—A. I suppose the checks came back from the bank.

By Mr. SHELLABARGER:

Q. What bank was that?—A. I cannot tell you.

Q. Have you seen any copies of those checks at any time recently?—A. No, sir.

Q. Do you know whether Mr. McComb has copies of them?—A. No, sir.

Q. Has he ever had access to them?—A. No, sir. Anybody who looked over my check-book could have seen the memorandum on the margin of the book.

Q. I will ask you the question whether these checks were not given, or one of them, for the purpose of aiding in the election of Mr. Harlan to the Senate of the United States?—A. I could not tell that. I gave them for campaign purposes; for newspapers, documents, &c.

Q. But was it not understood at the time you gave the check for $5,000, or the two checks, that they were to be used by him in furthering his election to the Senate of the United States?—A. There was no understanding about it. I was in hopes he would get elected. I would have given more for that. I think, now, it was in 1865 I gave those checks.

By Mr. SWANN:

Q. You gave both checks in the same year?—A. Yes, sir.

Q. Do you remember the time of year?—A. I think it was in the summer or fall. I know we were very busy at the time. I know I was annoyed at our men going home to work for Kasson. I would have given twice as much to defeat Kasson as to elect anybody else.

Q. Did you give anything to defeat Kasson?—A. I do not know what it was used for. Our people were inclined to go into politics, and I was opposed to it. I do not mean the Union Pacific road, but other roads I was engaged in. I had been in business in Iowa eighteen or twenty years.

Q. Was that for the benefit of your road?—A. I kept the road out of

politics. I had no idea there would be any legislation about the Pacific road.

Q. To whose order were these checks made payable?—A. Mr. Harlan's.

Q. Were they indorsed by him?—A. I do not remember. Of course they must have been.

Q. Is there any entry on the books of the Union Pacific Railroad of these two checks?—A. If there is any entry on the books of the Union Pacific Railroad of that kind, it was done for some purpose. The checks were my own checks.

Q. I want to know if there is any entry of those checks, or of the money that was paid out on them, on the books of the Union Pacific Railroad?—A. I do not know why there should be.

Q. That is not answering the question. Is there any such entry?—A. I do not know. I have never presented any account of them to the Union Pacific Railroad.

Q. Has your attention ever been called to the alleged fact that there was any entry of the kind?—A. No, sir.

Q. Was it paid out of your own private funds?—A. Yes, sir.

Q. Has it ever been re-imbursed to you from any source whatever?—A. No, sir.

Q. Did you not answer yesterday, before the other committee, that you paid this money out for the purpose of electing Mr. Harlan Senator?—A. It was paid out to Mr. Harlan as Senator. I understood the question to be whether I gave any money to any Senator to secure any election. I supposed it would be used for his own election. There was nothing said about it.

Q. What was your purpose in giving him the money; you say you supposed it would be used for his own election?—A. I would rather see the election carried for Harlan than anybody else.

Q. Was that the understanding, that it was to be used for his election, when you gave him the check?—A. No, sir; I did not have that understanding.

Q. Why did you suppose that it would be used to secure his own election?—A. I supposed it would be natural.

Q. He had an election pending then?—A. I suppose he had, but I am not positive. I had as much as I could attend to looking after other interests.

Q. I do not care for those other matters. I want to know what was the purpose for which you gave him this money for this election.—A. For documents and electioneering purposes.

Q. Electioneering purposes with reference to what?—A. There was nothing said about that, but I suppose it was at the time he was a candidate.

Q. You say there was nothing said to Mr. Harlan?—A. I did not see Mr. Harlan three minutes.

Q. How did you happen to give him the checks?—A. I ordered one of the clerks to give him the checks. I went out.

Q. Where was Mr. Harlan at that time?—A. I cannot tell you.

Q. You saw him three minutes?—A. I did not see him more than three minutes.

Q. Where were you at the time you saw him these three minutes?—A. I do not recollect.

Q. Was it at the Interior Department?—A. O, no, sir; it was not in Washington.

Q. In Iowa?—A. No, sir; I think it was in New York.

Q. Did he ask you for $10,000?—A. No, sir.

Q. What did he say to you?—A. He said to me something about—I do not recollect. Was he not chairman of some committee—general central republican committee?

Mr. SHELLABARGER. I really do not know.

The WITNESS. He was speaking about the election and my interest out in Iowa.

Q. You said you saw him only three minutes?—A. This was before.

Q. Did you send these checks by mail?—A. I cannot answer that. I was working eighteen hours a day then. If it was sent by mail, there will be a copy of the letter.

By Mr. SLOCUM:

Q. Mr. Durant, do you know what amount of stock was assigned to Mr. Ames to be "placed," as they call it here?—A. The resolution assigning it is in the books here.

Q. How much was it?—A. I think somewhere in the neighborhood of three hundred shares—three hundred and fifty, I think.

Q. Were you personally cognizant of that transaction when it was ordered; were you present at that meeting of the board?—A. No, sir. I was not a member of that board.

Q. That was done by the Credit Mobilier?—A. Yes, sir.

Q. You were not present at the time?—A. No, sir.

Q. You cannot testify about it except as shown by the books?—A. No, sir. Mr. Ames reported that he had obligations out for stock, and they were calling on him for it, but never mentioned they were members of Congress. I had promises out for a large amount of stock, and claimed that all the stock in the treasury belonged to me.

Adjourned to the 17th January.

WASHINGTON, D. C., *January* 17, 1873.

The committee met at 12 noon. Present, all the members.

Mr. Aaron F. Perry, one of the counsel appointed by the President to carry on the suit against the Pacific Railroad Companies, was also present, and participated in the proceedings.

Examination of THOMAS C. DURANT continued.

By Mr. SHELLABARGER:

Question. In your statement yesterday, you said something in reference to a suit having been commenced by you, one object of which was to recover certain stock put into the possession of Mr. Oakes Ames for certain purposes. Please state what those purposes were, and what the amount of that stock was.—Answer. The amount, I think, was somewhere about three hundred shares.

Q. Is there any book entry which will show the exact amount, and, if so, where is that entry?—A. There is a resolution, I think, on the Credit Mobilier books authorizing him to take the stock.

Q. Are those books here?—A. There are copies of them here.

Q. State whether the object or purpose for which that transfer was made is anywhere expressed in writing, and, if so, where?—A. I think that some of the largest holders assented to the transfer in writing.

Q. Please produce that writing.—A. I have not the writing; I was not then a director in the company.

Q. That assent has not been made a matter of record in the books of

the company?—A. Not in the form of an assent; there is a resolution, I think.

Q. Now state what the object of that assignment of three hundred shares of stock to Mr. Ames was.—A. To enable him to fulfill contracts which he claimed to have made previously, for delivering the stock; and, the price having gone up, he wanted what stock was over in the treasury, or a portion of it.

Q. At the time that that order was made to deliver him that stock, was there a report made to the corporation, or to any members of the corporation, as to who the persons were who were so entitled to that stock?—A. None whatever.

Q. Did Mr. Ames ever make a report either in writing or otherwise to the Credit Mobilier, or to any of its members, of what disposition he had made of that stock?—A. I was not a director in the Credit Mobilier at the time, and if there had been such a report I would not have known it.

Q. You know of no such report?—A. No, sir.

Q. You stated yesterday, in substance, that you had heard recently that disposition was made of that stock which was not in accordance with the designs of its transfer.—A. I did not intend so to state.

Q. Repeat your statement in that regard.—A. I intended to state that I understood recently that he had not transferred all the stock, and that he still owned it, and that if he sold the stock the money belonged to the corporation and not to him.

Q. What amount of stock, so far as you know, or are informed, has he so held on to?—A. I do not know; I am on a voyage of discovery to find out what he has got.

Q. And that is one purpose of your suit?—A. Yes, sir.

Q. The purpose, then, of his obtaining it was to enable him to comply with actually existing contracts?—A. It was so understood at the time.

Q. Was there any report made by Mr. Ames to the Credit Mobilier, or to any officer or member of that corporation, of what he had received for the stock which he did actually distribute?—A. I know of no such report. The corporation received from Mr. Ames par for the stock, in money.

Q. Then the amount which Mr. Ames would be required to account for would be the difference between the par value and the actual value of the stock so given to him?—A. Yes, sir.

Q. What was that difference at the time of the alleged distribution?—A. I think about 100 per cent.

Q. That is, $100 in par was worth $200?—A. Yes, sir.

Q. Were there dividends allowed and paid by the Credit Mobilier to these persons to whom Mr. Ames did distribute that portion of the stock which he did in fact distribute, and did not hold on to?—A. I think the stock stands in Mr. Ames's name, as trustee. It did at the time of the first dividend.

Q. Did it draw the dividends as all the rest did?—A. Yes, sir; it drew dividends.

Q. And that drawing applied to the whole three hundred shares?—A. Yes, to whatever he had. Whatever stood in his name as trustee he took the dividends for. It was 343 shares.

Q. You have already said that the value of that stock was 100 per cent. above par at the time of the distribution. Now state whether that 100 per cent. included the past dividends, or was the stock worth

that exclusive of any accumulated or due dividends?—A. It was worth that with the dividends on to January 3, 1868.

Q. Then it would have been worth $200, if the purchaser would get the dividend of the 5th of January?—A. Yes.

Q. What per cent. was that dividend?—A. I think the 2d of January dividends amounted to 80 per cent. stock in Union Pacific Railroad, and 80 per cent. in bonds. Mr. Ames on his 93 shares received 80 per cent. in stock of the Union Pacific Railroad, and two dividends in first-mortgage bonds, making 80 per cent.

Q. What was the value of the Union Pacific Railroad stock at that period?—A. I do not know of any sales.

Q. What was the value of the bonds?—A. Eighty-five to ninety.

Q. Are you in possession of any information you can give to the committee as to who the persons were to whom that stock was alleged to be due?—A. I have no idea, only what I have gathered from the testimony as published.

Q. You know nothing about it as having been ascertained at the time?—A. No, sir.

By Mr. HOAR:

Q. Was there any report given to the public by authority annually, semi-annually, or at any other stated interval, of the profits made by the Credit Mobilier, or by the trustees under the Ames contract, or by any contractor?—A. Contractors are not in the habit of making reports to the public.

Q. Be good enough to observe what the question is; I ask whether there were in fact any such reports?—A. No, sir.

Q. Where are the accounts which show how profits that were divided among these Credit Mobilier stockholders were made up?—A. In Boston.

Q. In whose custody?—A. I think in the custody of Oliver Ames, chairman of the trustees.

Q. You were not one of the seven trustees?—A. I was one of them.

Q. Suppose a person not one of the seven trustees had desired to know whether he was receiving on his Credit Mobilier stock, from the trustees, all that he was entitled to, how would he have known it?—A. By access to the books; they all had access to any books they wanted.

Q. But was the fact of this dividend among the stockholders given to the public at the time in any form or way?—A. It was known to the stockholders.

Q. Was it given to the public?—A. It was not given to the public that I know of.

Q. So far as you know, it was kept private among the stockholders?—A. Yes; private among the parties who participated in the contract.

Q. Did these books show the precise expenditure in the actual construction of the road, by the parties who made it?—A. To the dollar.

Q. And the precise profit?—A. To the dollar.

By Mr. PERRY:

Q. You spoke of those profits being reported to the stockholders, and of the stockholders being at liberty to examine the books; state whether there was a report made, written or oral, to the meeting, or whether they ascertained it merely by access to the books?—A. Certainly.

Q. I direct my inquiry to this alone, whether there was any written report made of them?—A. Only the notice of dividends.

By the CHAIRMAN:

Q. Was there any mode by which a stockholder in the Credit Mobilier could ascertain how much profit had been made by the Credit Mobilier, excepting by going through the books?—A. I suppose that every time there was a dividend made, there was a statement made up; there must have been a statement made up from which the dividend was made; a dividend would not be made unless there was a statement, showing the cost of the work, or what they had received for the work.

Q. Do you know of any statement that was made out?—A. It must have been made out; I think that would be one of the requirements; these statements ought to be with the other papers.

By Mr. PERRY:

Q. Your answer to me was, that the persons interested were notified that a dividend for a certain amount was ready for them.—A. Statements were made out at that time, and they had access to them.

Q. That was the only notice they got unless they examined the books?—A. That was all.

By Mr. SHELLABARGER:

Q. We are directed to inquire about this Congressmen business; you may state whether you know any member of Congress who, as attorney or otherwise, was paid anything for services by the Credit Mobilier?—A. I do not call to mind any now.

Q. Do you know of any member of Congress who was employed as attorney for any stockholder of the Credit Mobilier in relation to the business pertaining to that corporation?—A. I employed Mr. Jenckes, but I do not know whether he was a member of Congress at the time or not; I employed him in some suits in Rhode Island.

Q. Any others?—A. I do not call to mind any others.

Q. Do you know of any member of Congress who was employed by any member of it in relation to the affairs of the corporation?—A. No, sir. General Butler came with Mr. Alley one time to attend to a stockholders' meeting, and acted as an attorney at a stockholders' meeting; that was at the time of the Ames contract; I think it was about the time the contract was made—in October, 1867.

Q. Was he attorney in any sense for the Credit Mobilier?—A. Not that I know of; I think he was present when that tripartite agreement was drawn up.

Q. Did he draw it?—A. I do not know how much of it he drew; there were Mr. Tracy, Mr. Bell, and two or three other counsel there; and I think that General Butler represented Mr. Alley and Mr. Oakes Ames.

Q. He represented them in the preparation of that contract?—A. Not in the contract, but in the tripartite agreement; he was there at the stockholders' meeting.

Q. At this same time?—A. He must have been there a week.

Q. Where?—A. In New York.

Q. Was that tripartite agreement prepared in New York?—A. It was prepared in New York.

Q. Was it prepared about the date it bears?—A. I think it was prepared about the very date—15th of October, 1867.

Q. Were you present at its preparation?—A. Yes, sir; I think the attorneys drew something near what they wanted, and, after they had got some general memoranda, they went into another office and had it put in shape.

Q. What attorneys participated in making up the memoranda of the agreement?—A. I think it was Charles Tracy and Clark Bell. I am

not positive whether General Butler was present at first or not. He was about there at the time.

Q. Then, after the terms were fixed upon and put in shape in memoranda, the contract itself was drawn in another room; is that right?—A. Yes; the tripartite agreement. I think it was at Mr. Bell's office.

Q. Did any member of Congress participate in the ultimate drawing up of the agreement?—A. I do not know.

Q. When it came to be put into legal shape, did any member of Congress aid in putting it into legal shape?—A. I cannot say as to that.

Q. Have you now told us all that you know in regard to any member of Congress having been connected with the business of the Credit Mobilier?

The WITNESS. In what shape—as attorney?

Mr. SHELLABARGER. As attorney or otherwise.

A. I have, unless you refer to stockholders.

By the CHAIRMAN:

Q. Were there any members of Congress who were stockholders in the Credit Mobilier?—A. There were.

Q. Who were they?—A. I cannot name them from memory, but this list in evidence, showing dividends, includes all the stockholders of the Credit Mobilier.

Q. State whether or not the Credit Mobilier or the Northern Pacific Railroad Company, or any person connected therewith or interested therein, has furnished any money with a view to secure the election of any member of Congress.—A. The only case I recollect is the case I mentioned yesterday—the Harlan case, and that was an individual matter.

Q. With reference to that case, I will ask you to whom you paid the $10,000 of which you spoke yesterday—the two drafts.—A. I paid them directly to Mr. Harlan. I did not know the names of the committee who were canvassing the State. I paid the money directly to Mr. Harlan, and requested him to send it to them himself.

Q. Do you mean by that that you delivered the draft into Mr. Harlan's hands personally?—A. No; I do not recollect that I did.

Q. Did you send the draft to Mr. Harlan?—A. I instructed some of the clerks at the office to attend to it.

Q. What clerks?—A. My private clerks.

Q. Were those private clerks connected in any way with either of those corporations as officers or clerks of the corporations?—A. I think Mr. Crane was assistant secretary and assistant treasurer of the Credit Mobilier at the time. I am not positive.

Q. Was it Mr. Crane whom you instructed to send these drafts?—A. Very likely it was Mr. Crane who drew the check.

Q. Was the check or draft payable to the order of Mr. Harlan?—A. I presume it was.

Q. How was that check or draft transmitted to him?—A. By mail.

Q. Was it a check or draft on a New York bank?—A. It was a check on a New York bank.

Q. On what bank?—A. I do not know; I kept several bank-accounts.

Q. Will your bank-book show?—A. I think it will. I will look for it and furnish it to the committee.

Q. Has the check been preserved?—A. I cannot say that it has. Checks are generally preserved until they pass the time for things being outlawed, and then we put them out of the way.

Q. Would it have required Mr. Harlan's indorsement on the check?

procure the money?—A. I presume so. We seldom give checks except to order.

By Mr. HOAR:

Q. You have spoken of "we" and "the office" in connection with this check. What do you mean by "we" and "the office?"—A. I was away most of the time, and I gave Mr. Crane a power of attorney to sign my name to checks, transfers of stock, and notes. When I say "we" I refer to Mr. Crane, for I do not know whether he did it or I did it. Sometimes he signed his own name to checks and sometimes my name, according to the bank they were drawn on.

Q. What office do you refer to?—A. My own private office.

Q. Was your private office kept in the office of the Credit Mobilier, or the Union Pacific Railroad office?—A. It was in the room adjoining.

Q. Were these connecting rooms?—A. Yes.

Q. Did Mr. Crane at that time receive from you a compensation for services rendered to you in your private capacity?—A. He did.

Q. What was the character of Mr. Crane's employment by you?—A. He had been my confidential man for fifteen years, and for ten years had had a power of attorney to sign checks.

By the CHAIRMAN:

Q. At what salary?—A. I do not recollect. He keeps my cash account.

Q. What salary was he getting from the Credit Mobilier?—A. I do not know.

Q. Who solicited this $10,000 from you?—A. It was given voluntarily on my part for election purposes. It was in two checks of $5,000 each. I cannot tell what time intervened between them.

Q. You voluntarily sent them to Mr. Harlan, without any solicitation from any party?—A. Previously to that Mr. Harlan had said to me, "Cannot you do something for the election in Iowa?" I had been in Iowa for fifteen or twenty years, and had a large interest there.

Q. What was your purpose in sending this $10,000 to Iowa?—A. As a personal friend of Mr. Harlan's.

Q. Was it your purpose to aid him by that means in being elected United States Senator?—A. It was to aid in carrying the State election. I supposed that if he wanted to be elected to the Senate he would get the nomination if he could. I would have liked to see him elected United States Senator.

Q. Was not that the motive?—A. I did not tell him so. It may have had some influence with me.

Q. Was not that the leading motive that influenced you to do this thing, so far as you were concerned?—A. I had large interests in Iowa, and they were rather crowding us there on some questions—our own party was.

Q. What do you mean by "crowding?"—A. I had some county bonds which I had had for some ten or fifteen years, and they were repudiating them; and there were a variety of other matters there on which some of the candidates for the legislature had been opposing us. We had even gone so far as to carry the matter into the United States courts, and had the commissioners arrested for not levying taxes to pay those bonds. There were considerably lively times there. These people who were opposing us lived on a rival line from ours. I do not mean rival to the Union Pacific road, but another road in which I was interested.

Q. So your purpose was to influence his election in sending this $10,000?—A. Certainly.

Q. Then, to come back to the question which I asked you, were you not prompted in sending that money by a desire to have Mr. Harlan elected to the Senate of the United States?—A. I would like to have seen him elected, and I presume that had an influence on me.

Q. Was that the leading motive?—A. Perhaps it was, except that I am a personal friend of Mr. Harlan's.

Q. Was it not your intention by that means to aid in securing that election to the United States Senate and aid in carrying the State? I would like to have a direct answer to the question.—A. That was one of the objects, undoubtedly.

Q. Was not that the principal object?—A. I cannot say that it was the principal one. I was seeking to defeat some other parties who were candidates for the legislature.

Q. You did expect by that means to influence the election of a Senator to the United States Senate?—A. He could use it in that way if he chose.

By Mr. SHELLABARGER:

Q. Was it before or after the election of members to the legislature?—A. It was at the time they were canvassing the State. I knew that Mr. Hoxie and some other parties were fighting Mr. Harlan, or rather were working for other parties, and I presume that that knowledge had some influence on me.

By the CHAIRMAN:

Q. The State of Iowa was a pretty strong republican State, was it not?—A. It was republican, I believe.

Q. Then there was no particular motive in sending that money to carry it for the republican party?—A. It was to assist in local elections. I assisted in one case for republicans and in another case for democrats in cities that were not far apart, simply to get good local men.

Q. What were you driving at in that?—A. I was trying to influence local elections—town elections.

Q. Why did you interest yourself in those local elections?—A. I had a larger interest in that place than I had in New York.

Q. Why did you want particular men elected to office?—A. I did not want any particular men elected. I wanted good men elected. I never named a candidate. My friends would come and say to me, "Here, we have got good men for candidates, and you must help some," and I would help as far as I felt I was able. If we found candidates who were in favor of repudiating these bonds, no matter what political party or side they were on, we went against them. That was the principal thing that we looked out for, to compel these different counties to pay their bonds, which were ten years past due.

Q. Can you tell me, now, what your main motive was in sending this $10,000 to Mr. Harlan?—A. I cannot answer any plainer than I have done. I desired to see him elected to the United States Senate. I sent it out of friendship to him. That was a larger motive than anything else.

Q. You say you paid this money out of your private purse?—A. Yes.

Q. Did you ever claim to have that money refunded to you out of the Union Pacific Railroad Company or Credit Mobilier?—A. I never asked such a thing.

Q. Did you ever present a claim to the officers of the Union Pacific Railroad Company for expenses incurred by you on account of that road

or on account of legislative or executive action in Washington, with reference to that road?—A. I have made a claim against the company that was allowed for preliminary expenses.

Q. What was the amount of that claim, and when did you make it?—A. I made it at different times from 1864.

Q. Did you ever present at any time to the company a claim for a large amount of money, which you said you had expended in various ways in the interest of the road, and which the company declined to allow, but appointed a committee to investigate?—A. No, sir.

Q. Was there never anything of that kind?—A. I can explain that to you. There was an account of three or four hundred thousand dollars suspended, and it was audited by a committee and paid. Subsequently to these negotiations, another board went over the books, and put what they called a suspense-account in them, and charged a certain amount to me, two or three hundred thousand dollars. I then asked a committee to be appointed to audit that account, and a committee was appointed, consisting of Mr. Oliver Ames and Mr. Cisco, to see whether these moneys had been paid on proper vouchers. I have a copy of their report and everything here. These various sums were put in a suspense-account for the purpose of making all the preliminary expenses of the road to be distributed over the whole road instead of over the first forty miles, to which they would otherwise have applied.

Q. State whether there was any other account of that magnitude presented by you than the account you have just spoken of?—A. No, sir.

Q. You say there was a committee appointed to investigate that account?—A. Yes, sir.

(Witness produced copy of the account.)

Q. Explain fully to the committee how this suspense-account arose.—A. It is made up of items that were paid from time to time.

Q. We want to know the origin of this controversy.—A. I think the origin of this controversy came from a clause in the Hoxie contract. The men who had that contract had no means to go on with it, and there was a sum of $168,000 of their money back. The Credit Mobilier made a contract to assume it. At the close of the Hoxie contract the question came up as to this sum being charged back, and then came up the question of the suspense-account, as to how that sum should be distributed in the accounts of the company.

Q. What had you to do with that?—A. I had nothing to do with that.

Q. But why did the company hold you in any way responsible?—A. That is what I never understood. But about that time we were getting into a little muss among ourselves.

Q. What do you mean by a suspense-account?—A. It is customary when a voucher is paid to have it charged against such and such an account; to have it charged against grading, or equipment, or some other account. Every item goes to its proper account. But here were items which were general expenses, and which could not be referred to any particular account. We did not want them to be charged to any particular portion of the road, but wanted to have them distributed over the whole road, and the account was held in suspense so as to have it properly distributed.

Q. Then the items came into the general-expense account?—A. Yes, sir.

Q. Why did the company call upon you to account for this general-expense account, or any portion of it? Had any moneys been placed

in your hands to be used on account of the general current expenses?—A. No, sir; nothing but what went into the vouchers.

Q. What had you to do with it?—A. I was the general agent of the company; I was its vice-president, and had general management of the whole concern.

Q. Who had paid out these moneys on the general-expense account?—A. They were paid out by the treasurer.

Q. Can you tell to whom they had been paid?—A. They were paid to a great many people.

Q. Had any portion of the money been paid to you?—A. No, sir; except in cases where I had advanced the money. I had loaned to the company several hundred thousand dollars at that time.

Q. Where you advanced money on account of the company, that portion of the general expenses went to you?—A. Yes.

Q. Were there any moneys paid out by the treasurer or assistant treasurer on vouchers which were issued by you?—A. If I paid the money and vouchers properly authenticated, the treasurer paid the money back to me.

Q. Did you draw on the treasurer for any moneys at any time?—A. O, yes.

Q. Did these moneys go to the general-expense account?—A. Yes; with the vouchers.

Q. Then you say that out of that matter came this question of the suspended account?—A. Yes; when the company came to distribute the account.

Q. Were they not calling upon you to show the account as to what this money had been paid out for, so far as you had had any connection in the matter?—A. Simply to show that I had paid it out on proper vouchers.

Q. Then they were trying to get from you such a statement as would enable them to place the moneys that you had paid out to their proper accounts on the books?—A. I think that it was a matter of malice.

Q. But that is what they professed to be attempting to do?—A. Yes.

Q. Did you meet with that committee and explain matters to them?—A. Yes, and I looked up the vouchers on which the money had been paid.

Q. Did you find all the vouchers?—A. Yes; I found vouchers for everything that was allowed. The committee allowed nothing for which the vouchers were not furnished.

Q. Do you know the amount that they allowed?—A. The amount allowed is shown by the account.

Q. In settling these matters with this committee did you claim anything for which you did not produce the vouchers or receipts in some form or other?—A. I did not claim a thing but what I showed a voucher for.

Q. Do you know where these vouchers are?—A. No; they may be gone traveling.

Q. Do you suppose that these vouchers can be found?—A. I do not know; they may be with the papers of the company.

Q. State whether or not, in this connection, there were any amounts of money allowed or considered that were paid out in regard to matters of legislation, or to affect executive action in the city of Washington or elsewhere.—A. No, sir.

Q. None whatever?—A. No; none whatever. Some money was paid in employing attorneys to go on with me. I had three or four of them.

Q. Did you bring attorneys to Washington?—A. Yes.

Q. What were they here for?—A. To draw the bill up; to see what was done; to reconcile differences.

Q. What bill do you refer to?—A. The amending act of 1864.

Q. Who were the attorneys whom you had here?—A. Clark Bell, Mr. Sherman, J. B. Stewart, and Alexander Hay. We paid Mr. Bushnell for bringing on several people here.

Q. For that you had vouchers?—A. Yes, for all of them.

Q. You state that there was no money at all paid for which you had no vouchers, and that none other entered into this account?—A. No, sir.

Q. Why had you not returned those vouchers before that time?—A. Those vouchers had been settled two years before that time and the items had gone up to another account.

Q. Were the vouchers in the office of the Union Pacific Railroad Company at that time?—A. They were.

Q. Then what was the necessity for that committee?—A. A new board of directors wanted to know what had been going on.

Q. They had the evidence right in the office?—A. Yes; but they did not know where to look for it in such a mass of papers. The Hoxie contract provided that $168,000 should be carried until the work was done.

Q. Do you know a man by the name of J. B. Stewart?—A. Yes.

Q. Did he get any of this money?—A. Yes.

Q. How much?—A. I do not know how much.

Q. About how much?—A. I think J. B. Stewart got one or two hundred thousand dollars, and maybe more.

Q. What services was he rendering to the company in that behalf?—A. He was arranging difficulties between the Leavenworth and Pawnee Railroad and the Union Pacific Railroad.

Q. Where does J. B. Stewart live?—A. In Washington. Alexander Hay also got seventy-five or a hundred or one hundred and fifty thousand dollars; I do not know how much.

Q. Both these gentlemen were acting for the committee?—A. Yes.

Q. Were they lawyers by profession?—A. Yes; they are both lawyers by profession.

Q. Were they not lobbying around Congress?—A. I do not know what you would term lobbying. They were about here. They were not authorized to use one dollar to influence legislation, and I do not think they ever did, directly or indirectly.

Q. Those two men were here working in the interest of what company?—A. In the interest of the Union Pacific Railroad Company.

Q. What services did they render to the company? Did they draw any contracts?—A. They drew many contracts and settled many claims that were in our way. In order to get the bill passed, we had to settle the claims of the Leavenworth and Pawnee Company. I recollect one instance where Thaddeus Stevens, who was the chairman of the Pacific Railroad Committee, insisted upon the section in the bill that would compel the presidents of the companies to make affidavit before receiving any Government bonds that the companies were out of debt. Finally I came to Mr. Stevens's house with Mr. Hay, and Mr. Stevens explained that the affairs of the Leavenworth and Pawnee Company were in such a condition that it was questionable in his mind whether the debts which they had contracted would not be liens upon the road ahead of the Government liens; and he would not consent to put anything in the bill that would enable us to get the Government bonds so long as there was the least shadow of doubt as to the Government

being secure. He recommended us to arrange our affairs among ourselves, so that everything might be all clear.

Q. Who is Mr. Hay?—A. I think he lives in Providence, Rhode Island. I think he is in the city now.

Q. How long were those men engaged in this business before you finally got it closed up?—A. I think they were engaged six or seven months here, and four or five months afterward.

Q. Then they were engaged in all about a year?—A. Yes; as much as that.

Q. How much money did Mr. Stewart receive?—A. I cannot say. I should think between two and three thousand dollars.

Q. Did you pay him that money for his services in that behalf?—A. Yes; and for arranging with these other corporations.

Q. Was Mr. Stewart arranging money-claims between these corporations?—A. Yes, sir.

Q. When he arranged a money-claim between these two corporations, did you put the money into his hands to pay it?—A. I gave him the money to pay it.

Q. Why did you not pay it yourself?—A. I did not see the parties at all. Sometimes they would come with claims that they had a large amount of stock in the Leavenworth and Pawnee Company, and they had the idea that the road was to go through the Indian lands, which were immensely valuable. They claimed also that they had a right to go through the lands of the Northern Pacific Railroad Company, and they would not withdraw their objection to the bill that was pending until we made arrangements with them.

Q. How much did Mr. Hay get?—A. I do not know. I think over $100,000.

Q. Did he use it in the same way?—A. Yes; he and Mr. Stewart used the money for the same purpose. In some instances they had to buy stock of this Leavenworth and Pawnee Railroad.

Q. When they had arranged claims and paid them, did they take vouchers for the moneys they had paid?—A. They rendered the bills to me.

Q. Did they take vouchers for the money which they had paid?—A. I would authorize Mr. Stewart to arrange with these parties for so much money, or so much less than the amount I would fix as they would take. When he had accomplished the arrangement he would render me the bill.

Q. Did you give him the money and paid these claims?—A. I gave the money to him.

Q. Did he take vouchers when he paid over the money?—A. I do not know as to that.

Q. Then you do not know whether the claims were ever settled or not?—A. O, yes.

Q. You do not know whether those parties received any money?—A. I know that some of them did.

Q. No voucher was ever returned to you by Stewart or Hay, showing that they had paid over the money?—A. I think there were vouchers returned in some instances, but I do not recollect about them.

Q. Were those vouchers which came through the hands of Hay and Stewart returned to the Union Pacific Railroad Company's office?—A. All the vouchers that I had were submitted to the committee, and approved and paid, at a time long before this suspense-account was investigated.

Q. I find here, at the beginning of this suspense-account, an item of

$44,549.45 on the 1st of August, 1864. Can you tell what that was for?—A. That was probably made up of a good many items. The vouchers were all approved.

Q. Was it your vouchers that were returned?—A. The vouchers on which the money was paid.

Q. When you paid money over to Stewart and Hay, what vouchers had you?—A. I think they were drafts on me.

Q. Did you get any receipt?—A. The draft was the receipt.

Q. I find in this account only one item to Alexander Hay of $4,000, and I find no item charged to Stewart at all.—A. In taking the accounts they would just charge them to me.

Q. Why would they charge them to you?—A. Because the money was paid upon vouchers that I furnished. I advanced the money; the company had not funds, and I had to advance the money, and I returned the vouchers to the company. The reason why Mr. Stewart's name does not appear there is that I gave him drafts. He had one draft for $60,000. Probably the last installment of the draft to Mr. Hay was paid at the office, and that may account for the $4,000 being charged to him directly.

Q. I find one item here on December 29th, 1865, of $112,000, charged to T. C. Durant. Do you know what that was for?—A. Yes; that was on an agreement made with these other parties in regard to bonds. The agreement which Stewart made was with the Leavenworth and Pawnee Railroad Company; it was for $200,000 worth of bonds, but the amount was not to be paid until some two or three hundred miles of the road was completed. At the time we made these contracts I did not like these obligations to be out, and I found that I could take up that agreement by allowing the friends of the Leavenworth and Pawnee Road $120,000 of their own first-mortgage bonds. I bought the bonds and settled the item in that way.

Q. And this item of $112,000 is all on that account?—A. Yes.

Q. On the 30th of March, 1866, there is an item of $50,000, "Special Committee;" on what account is that?—A. That was on the same account.

Q. What was it for?—A. In settlement of the same thing. Some of this was really payable in the thirty per cent. stock of the Union Pacific Railroad Company.

Q. There is another item, on May 10th, charged to Special Committee; what is that for?—A. They were all on the same account. I always called these "Special Committee" accounts.

Q. Was that not a sort of aggregation of money paid out in one way and another?—A. Yes, it is an aggregation of preliminary expenses.

Q. Had there not been a great deal of controversy about these things before this resolution was adopted?—A. Not at all. It was brought up for the committee to examine. I said to the board of directors, "You can go back and examine what was done three or four years ago; I have no objections to your appointing a committee." The only men whom I knew to be very anxious about it were Mr. Alley and Mr. Ames. I asked Mr. Ames what he wanted by going over these accounts again. He said he wanted to know what members of Congress had been paid. I asked him what did he want to know that for—that I was not in the habit of paying members of Congress. He said that if I had paid members of Congress, he wanted to make them do what they had promised.

Q. What was the date of that conversation with Mr. Ames?—A. That was at the time that they were pressing the examination of these accounts.

Q. Before this matter was investigated?—A. Before it was investigated the second time.

Q. Repeat that statement by Mr. Ames.—A. He was asking about the items of these accounts.

Q. And what did you say to him?—A. I said that they had been examined by a previous board and settled; that they had been passed upon and paid up. He said he wanted to see what they were paid for. I said, "What do you want to find out about?" He said, "I want to find out if you paid any member of Congress." I said, "What do you want to know that for?" He said, "To make them pay back if they do not go straight," or something of that kind. I do not suppose that he meant it in earnest.

By Mr. SWANN:

Q. What did he mean by the remark, "If they do not go straight?"—A. I suppose it was a mere jocular remark.

By the CHAIRMAN:

Q. When was this?—A. Prior to this examination.

Q. How long prior to it?—A. It may have been three months or six months.

Q. What was the date of the examination?—A. The resolution appointing this committee to make the investigation was adopted on the 4th of January, 1867.

Q. Was the conversation of Mr. Ames prior to that date?—A. Yes, sir.

Q. How long prior?—A. I cannot say.

Q. Do you mean that it was within a few months, or a few weeks prior?—A. Within a few months.

Q. So that before this resolution was adopted, there was controversy about this matter?—A. O, yes.

Q. And somebody was calling on you for an explanation?—A. Yes.

Q. I will read this resolution to you as a part of the question:

"*Resolved*, That Oliver Ames, president *pro tem.*, and John J. Cisco, treasurer, be a committee to inform themselves in regard to the details of the so-called suspense-account of this company; also, to audit any further claims on this account; and that their statement to this board, that the facts in the premises are satisfactory to them, shall end all further discussion, and that the accounts shall be closed and charged to construction."

I ask you to state if there was any special reason why that resolution was put in that particular form; and if so, what it was.—A. I do not know; they had their own ideas about it; but I do not know what they were.

Q. But there was discussion there?—A. Yes.

Q. Why was it provided in that resolution that the statement of these two committee-men to the board, that the facts in the premises were satisfactory to them, should be final? Why was it put in those terms?—A. Probably to cover the authority for payment. Some of the stockholders might raise a question whether we had a right to do anything but build our own railroad. We were in negotiation between rival roads.

Q. If there were vouchers there showing on what account the moneys had been paid, what was the necessity for such resolution as that?—A. With the mass of papers that had accumulated for four years, it would

be great trouble to find vouchers, unless they were put away for a special purpose.

Q. Were there any larger number of vouchers than there were items in the accounts?—A. O, yes.

Q. Do you know any reason why all the vouchers were not itemized in the account?—A. Simply because they took the check, which may have been paid for a dozen vouchers at the time. That account is simply the date when the check was given to me.

Q. State, according to your best knowledge, information, and belief, whether or not those two checks that have been spoken of as having been sent to Senator Harlan are embraced in any way in this account?—A. They are not embraced in this account.

Q. Were they ever embraced in any other account that was rendered?—A. They were not.

Q. Were they brought before that committee, and rejected by it?—A. No, sir. I was asked a question about these checks, and I told them that they were my own private money, and that I did not present them for payment. I was asked whether my account embraced those checks.

Q. Who asked you that question?—A. Some member of the committee. If I had presented the checks they would probably have allowed them. I said, "No; I have no claim to present, for those checks are mine."

Q. How did that committee know anything about those checks; how did they find out that you had paid out of your own private resources $10,000 to Senator Harlan?—A. I do not know; they appeared to know it. It was no secret in the office at all.

Q. Were the members of this Credit Mobilier in the habit of inspecting your private bank-accounts; did they have access to your private business?—A. No, sir.

Q. Then how did it happen that they knew of those two drafts for $5,000 each?—A. I do not know. It had been talked of before them, I suppose. I think that Mr. Alley, or somebody, saw Mr. Crane drawing the checks.

Q. Did they call upon you then to know whether or not you had embraced those checks in your account?—A. I think I showed the checks, and I said, "Gentlemen, anything I have done in that way I have done myself, and I do not ask you to pay it." I recollect saying that in the committee-room.

Q. Did they make inquiries of you with reference to these two checks at the time that this account was stated?—A. I do not recollect that they did.

Q. It was talked about?—A. I spoke of it myself. I recollect saying that I did not charge for anything which might be regarded as paying for influence.

Q. And you think you showed the checks at that time?—A. I think I showed the checks; there was no secret about these checks at all.

Q. Why should that matter have come up, when you were simply settling an account for which vouchers had already been filed in the office?—A. I do not know, except that it came up in general conversation.

By Mr. SHELLABARGER:

Q. The vouchers covered everything in the account?—A. Yes, sir.

Q. Then how could the question have been properly asked, whether the checks were in the account, when you had already vouchers that covered everything?—A. I think these checks were in 1865.

Q. That must have been before that account, or else they could not have been talked of?—A. Yes.

Q. State whether, at the time you gave those checks, Mr. Harlan was Secretary of the Interior?—A. He was Secretary of the Interior, but whether he was so then or not I do not know. I had not been in Washington for some time before.

Q. I hold in my hand what seems to be part of a record in the Supreme Court of Rhode Island, in which Isaac P. Hazard and others were plaintiffs, and T. C. Durant and others defendants. What was the claim in the bill in that case against you?—A. I do not know. They claimed all these moneys in that bill.

Q. The moneys in the suspense-account?—A. Yes, and everything else, I guess.

Q. The object of the suit was to compel you to account for certain moneys which they claimed you had failed to account for?—A. That suit was not by the directors, but by the stockholders, and they made the affidavit on information and belief.

Q. The question is, what was the object of the prayer of the bill in chancery which I have named to you in this case? What did it ask you to account for?—A. To account for all the items of money in the bill. I never went through it myself, and cannot tell what they are.

Q. And that includes what is called in this record the suspense-account?—A. Yes.

Q. I find under the head of statement of suspense-account a footing up of $435,754.21, and in that aggregate are included those items to which your attention has been called by the chairman; one of them $112,000, and various other items of large amounts. Now, the question I desire to ask you is, whether you exhibited to the parties in interest adverse to you vouchers in writing which covered all the moneys, and accounted for all the moneys which they sought to charge you with in this matter?—A. I exhibited vouchers to the committee that was appointed.

Q. Written vouchers?—A. Yes, sir.

Q. Did those written vouchers all purport to be vouchers from third persons, or was part of them your own statement of payments made by you?—A. I think that they were all written vouchers, with the exception of my bill for traveling expenses, amounting to two or three thousand dollars perhaps.

Q. Then your answer is that everything thus charged against you here was accounted for by you, by vouchers from third persons, excepting only certain traveling expenses of yours which were accounted for by you on your own statement?—A. Yes, and money paid to third persons.

Q. Then there was a portion of this account for money paid to third persons, for which you produced no receipt?—A. I produced their draft or receipt.

Q. Then there was no money paid to third persons for which you did not produce drafts or receipts, or some paper from third persons, showing that you had honestly paid the money?—A. No, sir.

Q. The only exception to that is, that there were certain traveling expenses, for which you presented your own statement?—A. That is my recollection.

Q. So that everything was accounted for by you in one or other of those two ways, either by papers from third persons—— —A. Or bills of my own in writing.

Q. And those bills only included your own personal expenses?—A. Only my own personal expenses. There were no bills for salaries.

Q. Was there anything in that account which you presented, and for which no papers from third persons were presented, except your mere traveling expenses?—A. I think there was nothing else.

Q. There were no moneys paid to third persons for which receipts or vouchers of some sort were not produced?—A. No, sir. They were produced in the form of bills or drafts.

Q. If that were true, this dispute could have been settled by a simple inspection of papers, except only as to your traveling expenses. Is not that so?—A. It was settled in that way.

Q. Why, then, any serious dispute about your account, provided you produced papers showing that you had paid the several items charged?—A. Because some of these bills from Mr. Stewart and Mr. Hay were pretty large and some of the new directors wanted to get the details, which I could not always give them.

Q. Then these receipts which you produced from third persons were sometimes statements of your sub-agents or employés, for moneys which they had disbursed?—A. Yes, the majority of them were.

Q. Were these vouchers accompanied by other vouchers, showing that these agents had properly paid out the money?—A. I cannot answer as to that.

Q. Can you tell the committee whether those moneys that were disbursed by these men were not, some of them at least, disbursed for the purpose of procuring or influencing legislation?—A. I do not believe there was a dollar.

Q. Can you swear to the committee that these men did not disburse portions of this money for the purpose of influencing legislation?—A. Not a dollar, to my knowledge.

Q. Have you any knowledge on the subject?—A. They reported verbally what they were doing.

Q. Did they report to you and show you places where that money was all legitimately expended, and not for the purpose of corrupting legislation?—A. The gentlemen are here and can speak for themselves; I was satisfied at the time that they did not use any money for that purpose.

Q. Did they present to you at any time such papers or other evidence as satisfied you that this money was all expended by them legitimately?—A. They might cheat me on some things, but I do not think they did.

Q. The question is whether they presented to you such papers and showed you that the money had been legitimately expended, and that none of it had gone for the purpose of corrupting legislation or the executive officers of the Government?—A. They presented me such accounts as I was satisfied with at the time.

By Mr. HOAR:

Q. Did those gentlemen give you a single written voucher of their expenditures?—A. They did.

Q. Where are those vouchers now?—A. I do not know.

Q. Did you put those vouchers into the possession of the Union Pacific Railroad Company?—A. I think so; they were in the office.

Q. Did they give you vouchers for the full amount of their expenditures?—A. No; they only gave me their own vouchers; they did not give me vouchers in all instances from the parties whom they paid.

Q. What did you say was the entire amount that they expended?—A. Two or three hundred thousand dollars.

Q. By whose direction or procurement were those gentlemen employed?—A. By mine.

Q. Entirely?—A. Yes.

Q. Did you know them personally before?—A. I do not know how long before; I think they were introduced to me by Mr. Bell.

Q. Is that all the knowledge you had of them?—A. I cannot say how long I had known them.

Q. How came you to employ counsel resident at Washington, for the purpose of dealing with those northwestern railroads?—A. Because all the parties were here. I bought one-third interest in the road before I could accomplish what I wanted, and I think I expended nearly $500,000. All the parties were from Kansas.

Q. And you employed a lawyer in Washington to whom you had been once introduced?—A. Yes. I was here seven months with them myself.

Q. I ask you again if you received from this gentleman a single written voucher of expenditures?—A. Yes, sir.

Q. Did you receive vouchers for the full amount he expended?—A. I received vouchers for the amount. Sometimes the vouchers were in Leavenworth and Pawnee stock.

Q. Where are those vouchers now?—A. I think they are with the other paper.

Q. Did he bring you the receipts of persons to whom he had paid out that money?—A. No, only in a few instances; for most of them I took his own voucher.

By the CHAIRMAN:

Q. Had the company regularly appointed attorneys who were doing its business?—A. Yes, sir. Mr. Bell was here with me.

Q. How long after you were first introduced to these two men, whom you have named, was it before you employed them in this matter?—A. I think I had seen Mr. Stewart two or three months before.

Q. Had you ever known them as lawyers before the time when Mr. Bell introduced them to you?—A. I knew of them as lawyers.

Q. Where are the offices of these attorneys?—A. Mr. Stewart has an office in this city and one in New York also.

Q. Where is Mr. Hay's office?—A. I do not know whether Mr. Hay has an office in New York or not. He was a lawyer in those Goodyear India-rubber suits.

Q. Was it the settlements of accounts that these men were engaged in, on account of which you paid this large amount of money?—A. They can explain that better than I can. That Leavenworth and Pawnee road had been first in the hands of Sloan and then got into the hands of General Frémont, and there were several claims and obligations and suits commenced that might be ahead of the Government bonds as liens upon the road, and we were obliged to get these out of the way. I know that I paid for that purpose just about one-fourth what I supposed I should have to pay.

Q. Who were the individuals with whom Hay and Stewart were dealing in making these settlements and arrangements?—A. Samuel Hallett was here. He is dead now. I do not know who represented Mr. Frémont. I think there were other attorneys also paid. I think we paid Mr. Stanton and Mr. Latham.

By Mr. SHELLABARGER:

Q. You have been asked whether any money was ever paid to influence legislation or executive action by the Credit Mobilier, or by any of its officers or stockholders. I now ask you whether you know of any being

paid by the Union Pacific Railroad Company, or any of its officers or stockholders?—A. I do not.

Q. Did you ever go to Washington with Mr. James Brooks to aid in getting him appointed Government director of the Union Pacific Railroad Company?—A. No; I do not think I ever did. I do not think I came myself.

Q. Who did come instead of you?—A. No one that I know of. I suggested that we ought to have one democrat on the board.

By the CHAIRMAN:

Q. Do you know one Andrew J. Poppleton, of the State of Nebraska?—A. Yes, sir.

Q. Do you know of his having been a candidate for Congress?—A. I do not.

Q. Did you never hear of his running against the present member from Nebraska, Mr. Taffe?—A. I do not know that I did.

Q. Has he not been in the employment of the Union Pacific Railroad Company out there?—A. Yes, sir.

Q. How long was he in the employ of that company?—A. I think the company employed him as an attorney to look after land matters and right of way in 1864.

Q. And how long has he continued in their employment?—A. I do not know; I have not had anything to do with the company since 1869.

Q. Did he continue up to 1869?—A. Yes, sir.

Q. Do you know of any money being furnished to him by the Union Pacific Railroad Company or by the Credit Mobilier, or by anybody connected with those companies, for the purpose of aiding him in the race for Congress?—A. I do not know of a dollar.

Q. You never furnished him with any yourself?—A. I never furnished him any myself, and there was never any furnished to him by my orders.

Q. You were asked a while ago whether or not any member of Congress was employed as an attorney for the Credit Mobilier, and you answered that General Butler was there on one occasion. Do you know of any other member of Congress ever having been employed as an attorney of that company?—A. I do not recollect any.

By Mr. SHELLABARGER:

Q. It has been stated that General Butler was engaged as counsel of the Credit Mobilier, at an annual salary of $6,000.—A. That is the first I ever heard of it.

Q. Then it is not true?—A. Not to my knowledge; but I have had nothing to do with the Credit Mobilier since 1867.

By the CHAIRMAN:

Q. You were examined yesterday in reference to the Hoxie contract and the Ames contract; and you spoke also of the Davis contract. State at what point on the road the Ames contract began.—A. At the hundredth meridian, between 246 and 247 miles from Omaha.

Q. And extended westward how far?—A. Six hundred and sixty-seven miles.

Q. At the time that contract was entered into, how much of that road had been constructed west of the hundredth meridian?—A. On the 16th of August, 1867, the day the resolution was passed by the board, authorizing the contract to be made with Oakes Ames, there had been 188 miles constructed.

Q. What was the date of the assignment of the contract to the trustees of the Credit Mobilier?—A. It was on the 16th of October, 1867.

Q. How many miles of road had then been completed west of the hundredth meridian?—A. Two hundred and thirty-eight miles.

Q. Then the Ames contract covered 238 miles of road that had been already constructed?—A. It assumed the existence of all contracts.

Q. What was the purpose of giving Mr. Ames a contract to build a road which had already been built?—A. If he had not taken from the hundredth meridian west, including the light work, he would have demanded a higher price for the heavy work. This 238 miles was pretty easy work, and it was averaged all the way through that it would take so much to build the road.

Q. But what necessity was there for letting the contract and building a road which had been already built? Why did not the company at once let the contract for road which had not been constructed?—A. There was a variety of reasons—among others that the stockholders of the Credit Mobilier had increased their capital, and loaned to the Union Pacific Railroad Company in anticipation of getting the contract, and they demanded that they should have some interest in the contract.

Q. Had any profits been made on the construction of those 238 miles of road west of the hundredth meridian at the time the Ames contract was made?—A. I have no statement to show that there had been. I do not know that there had been.

Q. Had that 238 miles been paid for by the Union Pacific Railroad Company?—A. It had been paid for at its cost.

Q. What was that cost?—A. A portion of it was built very cheaply—at about $27,500 a mile, including the equipment.

Q. And the balance of it—what did it cost?—A. I cannot tell.

Q. Can you not give the whole cost of these 238 miles?—A. No; I have no figures.

Q. When you let the Ames contract you let it at a greater price than these 238 miles had already cost?—A. Yes, sir.

Q. At the times of the Ames contract did you know what these 238 miles had cost?—A. We could not tell the precise cost then, because I was in Nebraska, and it took thirty days to get reports from there.

Q. Did you know about what it cost?—A. Yes, sir; about.

Q. Then, when you made the Ames contract and extended it over these 238 miles, why did you make it for more than the work had actually cost?—A. The price paid Mr. Ames was more than the actual cost.

Q. How much more on this 238 miles?—A. I should think two or three million dollars.

Q. Give your nearest estimate.—A. I should say from two and one half to three million dollars.

Q. Then, if I understand you, you gave Mr. Ames a contract for the construction of 238 miles of road, at a cost to the Pacific Railroad Company of between two and a half and three million dollars more than the work had actually cost?—A. Yes; for that portion of it.

By Mr. HOAR:

Q. At the time that the Ames contract was made, do I understand that this portion of the road had been built, paid for, and was the property of the company, without further obligation to anybody?—A. Yes, sir; I think most of it had been accepted by the Government; but the Pacific Railroad Company was owing some money upon it.

Q. When they put that 238 miles into the Ames contract, at a price several million dollars above its cost, as a road to be built, it had already been built, paid for, and was the property of the company, with

out further obligation to anybody. Is that the fact?—A. I cannot say that it had been all paid for; the company was probably owing the contractor something.

By the CHAIRMAN:

Q. At all events the obligations of the Union Pacific Railroad Company for the construction of the road were increased between two and one-half and three millions of dollars by the Ames contract?—A. Yes, sir; on that portion of the road.

Q. At that time cars were running over it regularly?—A. Not regularly; they were running construction-trains over it.

Q. Before this Ames contract was made the Credit Mobilier had already declared two dividends of 6 per cent., or one dividend of 12 per cent. for the two years?—A. Yes, sir; I think so.

Q. These 238 miles of road had been built under the auspices of the Credit Mobilier before the Ames contract, had it not?—A. No; it was built by the Union Pacific Railroad Company under the Boomer contract, a great portion of it; then the Union Pacific Railroad Company assumed it themselves.

Q. So that it really belonged to the Union Pacific Railroad Company at the time the Ames contract was made?—A. Only about 100 miles of it was; the Union Pacific Railroad Company passed a resolution authorizing the officers of the company to go on as fast as possible, making all their contracts subject to any future general contract that should be given.

Q. Then the Union Pacific Railroad Company completed these 238 miles under its own auspices?—A. Yes, sir.

Q. And the Credit Mobilier had no interest in it up to the time the Ames contract was made; is that so?—A. No; it had no interest in the contract; it claimed that it had; but the Union Pacific Railroad Company claimed that it had not.

Q. After the Credit Mobilier declared that dividend of 12 per cent., what was its stock worth, up to the time the Ames contract was made?—A. I should think from 85 to 95.

Q. What assets had the Credit Mobilier after that dividend of 12 per cent. was so paid?—A. I am not positive; I was not in the direction at that time; but I think it had eight hundred or one thousand acres of land near Council Bluffs. It had some Union Pacific Railroad stock, and it had claims against the Union Pacific Railroad Company for nearly two millions of dollars. I think that was all its assets.

Q. The Ames contract was transferred to the trustees of the stockholders of the Credit Mobilier on the 15th of October, 1867. From what source did the Credit Mobilier derive its means to make the dividend which was declared on the 12th of December, 1867?—A. The Credit Mobilier made no dividend then; it was a dividend made by the trustees from the profits of the portion of the road completed to January, 1868.

Q. These trustees never had existence as trustees until the Oakes Ames contract was transferred to them?—A. No, sir.

Q. Then their existence began on the 15th October, 1867?—A. Yes, sir.

Q. And on the 12th of December, 1867, these seven trustees declared a dividend to the stockholders of the Credit Mobilier, which has been already given in evidence?—A. Yes, sir.

Q. That was a little less than two months after they took the assignment of that contract?—A. Yes, sir.

Q. Prior to the 15th of October, 1867, these trustees had no asset out of which to declare dividends?—A. The trustees had no assets.

Q. Then, from what source did they get this Union Pacific Railroa stock and these first-mortgage bonds, out of which to declare their div dends?—A. The contract assigned assumed all existing contracts o the road and all liabilities of the company, and it gave them the profi that had been earned on the construction from October, 1866, to Decem ber, 1867, as embracing the portion of the road which was constructe at that time.

Q. To strip this thing of all verbiage and circumlocution, is it not th fact that the difference between what these 238 miles had cost the Unio Pacific Railroad Company and the amount which it was let for unde the Oakes Ames contract composed the assets out of which this dividen was declared?—A. It did, certainly.

Q. You call it profits; is it not just simply the increased price tha was paid under the Oakes Ames contract over the cost of construction —A. Yes, sir.

By Mr. HOAR:

Q. Suppose that contract had not been made, the property that w then divided would have remained the property of the Union Pacif Railroad Company, would it not?—A. Yes, sir.

Q. So that the first thing that these trustees proceeded to do aft they were organized was to take what property the Union Pacific Rai road Company had on hand and divide it among the stockholders o the Credit Mobilier as their first act, did they not?—A. Yes, sir, t answer the question directly; but it strikes me as hardly fair to th company to stop there. As I said before, Mr. Ames never would hav got the contract for that 247 miles only as he took the contract beyon where we were doubtful about succeeding.

By the CHAIRMAN:

Q. The dividend that was paid was declared on the 12th of Decem ber, 1867, two days less than two months from the time the trusteesh was created. That dividend was 60 per cent. in the first-mortga bonds of the Union Pacific Railroad Company and 60 per cent. in th stock of the Union Pacific Railroad Company, was it not?—A. Ye sir.

Q. The capital stock of the Credit Mobilier was then $3,750,000?—A Yes, sir.

Q. The aggregate of the dividends declared on that occasion w $2,250,000 in first-mortgage bonds and $2,250,000 in the Union Paci Railroad stock. These bonds and this stock, thus divided, were d rived from the Union Pacific Railroad Company, on account of th extension of the Ames contract over these 238 miles. Is that so?—A Not altogether; because at that time there were over 500 miles com pleted. At the time the dividend was made there were 537 miles com pleted.

Q. Can you tell me, then, whether there are any means by which yo can give me the amount which the construction of that road had cos —A. I cannot without going over the monthly estimates.

Q. From what sources can we get the information?—A. From th contractors' pay-rolls and the measurements of the work on contract.

Q. Where would these be found?—A. They ought to be in Boston or perhaps in Omaha.

Q. In the office of the Union Pacific Railroad Company?—A. Ye

they should be in the office of the Union Pacific Railroad Company. Very likely they were submitted to the trustees at the time.

Q. When was the Davis contract?—A. On the 1st of November, 1868.

Q. State what was the understanding at the time that contract was made, as to its performance. Was it understood at the time that it was to be transferred to the Credit Mobilier or to any other corporation or board of trustees?—A. It was to be transferred to the same board of trustees.

Q. Was that the understanding at the time the contract was entered into between you and Davis?—A. It was the understanding that Davis would transfer it, or that they would relieve him from all responsibility.

Q. Did he afterward transfer it, pursuant to the understanding between you and him?—A. Yes, sir.

Q. Is this a copy of the transfer?—A. Yes, sir.

(The contract and transfer were put in evidence.)

Q. Then the effect of that arrangement was simply to extend the Ames contract over the uncompleted portion of the work?—A. Yes, sir.

Q. And to put it into the hands of these seven trustees who were named in the assignment of the Ames contract?—A. Yes, sir.

Q. State now, whether, under the contract, those trustees proceeded to build the balance of the road.—A. They did.

Q. Can you give the cost to the company?—A. I cannot give the whole cost of the whole road. I can give the cost up to a certain point—up to the point the last dividends were made. In answering the question relative to the cost of this road and the amount that was paid on those dividends on the portion of the road that was built before Mr. Ames took the contract, I wish now to say that in the estimate on which those dividends were paid was also included a large amount of work done ahead of that—iron, ties, &c.—amounting probably to two or three millions dollars.

Q. State whether or not a question arose about the 25th of February, 1869, in regard to payments that had been made on account of construction.—A. There had been large payments made, and the question came up as to what authority there was for making them.

Q. Then a question did arise?—A. Yes.

Q. What did you do in reference to that matter; did you offer any resolution in regard to it?—A. I offered a resolution for the treasurer to report the authority.

Q. Will you please read that resolution, so that it may be made a part of your testimony?—A. I will read from the record of the executive committee:

"NEW YORK, *February* 25, 1869.

"On motion of Mr. Durant,

"*Resolved*, That the treasurer report to this committee the authority on which the check for $50,000, dated July 23, 1868, was paid; also whether there is any deficiency in the cash or bond account of the company; the authority on which the payment of $11,000,000, or thereabouts, was made to contractors in January, and also an explanation of the check of $3,000 said to have been given for a commission on a loan which was not obtained."

Q. Was that resolution adopted?—A. Yes, sir.

Q. What was the result of it?—A. There was a report.

Q. Did the treasurer make a report?—A. The treasurer made a report.

Q. Have you that report?—A. I have a copy of it here, and will furnish it to the committee.

Q. Was any further action taken in regard to this matter or anything connected with it?—A. The report was made by authority of the committee, and was accompanied by a copy of the chief engineer's report.

Q. I will ask you to state whether you made a protest on the 4th of March, 1869, and caused it to be entered on the books of the company; and, if so, I will ask you to read it, so that it may go in as a part of your evidence.—A. I made a protest of that date, and submitted it to the board March 9, 1869, as follows:

"NEW YORK, *March* 4, 1869.

"*To the Executive Committee of the Board of Directors of the Union Pacific Railroad.*

"GENTLEMEN: I learn that while I was absent on business of the company payment was made to assignees of the Oakes Ames contract, out of the funds of the company, for construction or equipments, or both, on the line of the road west of the 667 miles mentioned in the contract. As no assent of the stockholders to any contract or the extension of any contract west of 667 miles has been obtained and no authority exists for said payment, I protest against the same, and demand that all such payments, if made, be recalled and the sums so paid be restored to the company."

Q. Did you find that payments had been made of the character indicated in your protest?—A. Payments had been made.

Q. Do you know the extent of the payments?—A. I do not know the exact extent of the payments. I could not tell.

Q. About how much?—A. Several hundred thousand dollars.

Q. What was the result of your protest?—A. The assent of the stockholders was procured, I think, to the Davis contract, and that being assigned to the same parties it was adjusted between themselves. The company was not the loser by it. The protest was on the ground that there was no contract made, and could not be until the approval of the stockholders was obtained. The funds belonged to the company and were not to be paid to anybody except for construction.

Q. You say that the money that was paid was afterward adjusted on the settlement of the Davis contract?—A. Yes, sir.

Q. To whom had that money been paid?—A. To the trustees.

Q. These trustees, then, had been going on and drawing money on the 667 miles before the Davis contract was made?—A. Yes, sir; before it was approved by the stockholders. The trustees went on with their men and tools to complete the road.

Q. I was interrogating you a little while ago in regard to the extension of the Ames contract from the one hundreth meridian for 667 miles west when 238 miles had already been completed; you commenced giving some explanation as to why that was done; if you have any further explanation to make as to the reason why you commenced at the one hundredth meridian and ran 667 miles west, when 238 miles of the work was already done, I would like to hear it.—A. The stockholders of the Credit Mobilier had increased their capital to purchase an amount of bonds of the Pacific Railroad. After purchasing them they were to have the contract for a hundred miles of that road. That proposition embraced the purchase of nearly six million dollars of securities. It was accepted by the executive committee, and they commenced paying for the securities. The board of directors were not willing that the executive committee should make the contract without their sanction.

They refused to sanction the contract, but still allowed these parties to take the bonds, as they needed the money. They paid for the bonds, and had no contract to go on. That was in 1867. When this contract was made with Mr. Ames they claimed that they should have the right to contract for the road, and it was for that reason that the Ames contract was assigned to the Credit Mobilier. Mr. Ames would not have taken the contract for the heavy work at the price he did, nor would the company have allowed him the light work that had been nearly completed, on those terms; and they proposed to make an average, and the calculation was that there would be nearly 20 per cent. profit.

Q. Why could they not just as well have let this contract for the uncompleted portion of the 667 miles at a contract price, to have been agreed upon; where was the necessity of making this thing run back over the road that was already constructed?—A. Well, they had been negotiating for the construction all the time, and the resolution on their books was that all contracts should be subject to the general contract from the one hundredth meridian.

Q. Why should the company make a contract for a road that had already been constructed?—A. They were a good deal in debt, and it required a good deal of outside aid. Notwithstanding these contracts were made, notwithstanding this road was built, the parties interested in these contracts were borrowing money to keep them up.

Q. How was the Union Pacific Railroad Company to receive any advantage by handing over its means to pay the debts of these trustees and then paying an additional price for the construction of the road?—A. Under the Oakes Ames contract they secured at once means enough to construct their whole road, which it was doubtful could have been otherwise done. The Oakes Ames contract provided that the money they realized from the bonds should be paid, and beyond that the contractors should subscribe for stock enough to complete the whole thing. That insured the completion of the road.

Q. The company, then, could not make a contract for the construction of the balance of this 667 miles, unless it would make this arrangement covering the 238 miles?—A. They could not.

Q. Those parties to whom the Oakes Ames contract was assigned would not make a contract with this railroad company, except upon condition that the company would give them the benefit on their contract of the part of the road that was already constructed?—A. That was the case, sir. They would not unless the company could have shown that they could have paid for it at a much higher price.

Q. Were the stockholders of the Union Pacific Railroad and the stockholders of the Credit Mobilier the same at that time?—A. I think they were, with the exception of a few who had not paid up. These did not represent more than $20,000 or $30,000 stock.

Q. Have you made up a statement showing the cost of this road on the Ames contract, the Hoxie contract, the Davis contract, &c.?—A. I have up to such time as included the dividends that have been made. (Statement handed in, and marked Exhibit 11.)

Q. You spoke yesterday of some protest you had entered upon the records of the Union Pacific Railroad Company, and which they expunged?—A. It was a difference of opinion on matters of policy. I protested against their making contracts without the assent of all the stockholders.

Q. I will ask you to state if you know anything of Mr. Ames, after he had got his contract, and before it was assigned, making any efforts to get rid of you as a director on or manager of this road in any way?—A. I

know there was objection to making the contract without the assent of the stockholders.

Q. Have you any information that he made application of any sort to persons that were interested in the matter to get you out of that institution?—A. There is that letter I have shown you. I would rather you would not bring private matters in if possible.

Q. Just read that letter, so that the reporter may put it in your testimony. At this point I will ask you, in the first place, whether you are acquainted with Mr. Ames's handwriting.—A. Yes, sir.

Q. Is that his handwriting?—A. Yes, sir.

Q. Now read the letter.—A. I am doing this without the consent of Colonel McComb. I do not know whether it may not be a breach of confidence:

"NEW YORK, *September* 17, 1867.

"DEAR SIR: I have called on Governor John A. Andrew, and got his consent to act as one of the Government directors if he should be appointed, and it is our wish to have him. I wish you to put the matter in the hands of Judge Black, if that is the best channel to do it. I do not suppose the change will be made until October. I hope you will get everything to run smoothly on the contract. I do not think we should do right to put Durant in as director, unless he withdraws his injunction suits and submits to the will of the majority. He cannot hurt us half as badly out of the direction as he can in, and there is no pleasure, peace, safety, or comfort with him unless he agrees to abide the decision of the majority, as the rest of us do.

"Very truly, yours,

"OAKES AMES.

"H. S. MCCOMB, Esq."

By Mr. SHELLABARGER:

Q. I want to ask you a question which I believe has not been asked. By the first stipulation in the contract of August, 1867, with Oakes Ames, there is this provision: "First, the party of the second part agrees and binds himself, his heirs, executors, administrators, or assigns, to build the following-named portion of the railroad and telegraph line of the party of the first part, commencing on the 100th meridian of longitude, upon the following terms and conditions, to wit: 1. One hundred miles at and for the rate of $42,000 per mile. 2. One hundred and seven miles at $45,000. 3. One hundred miles at $96,000. 4. One hundred at $80,000 per mile. 5. One hundred miles at $90,000 per mile. 6. One hundred miles at $96,000 per mile." Now, please state where upon the line of the road each one of these subdivisions is located.—A. I could not do it without the maps and profiles.

Q. Then state where are the maps and profiles by which that can be ascertained.—A. I presume they are in Boston.

Q. State to me whether these subdivisions begin at the east end of the Oakes Ames contract and extend westward in the order of their statement in the contract.—A. They do; it was so intended.

Q. Is there any return, so far as you know, either in the records at Boston or in the Interior Department here, which will show what portions of these subdivisions drew the $10,000 per mile and what the $32,000 per mile?—A. Those points were established, I think, by the Government engineer, and they are a matter of record in the Interior Department or Treasury Department; I do not know which.

Q. These records in the Department will show this, it being known

that these subdivisions begin at the eastern end, in the order of their statement in the contract?—A. The Government engineer established the base at the foot of the Rocky Mountains, which is the basis for the $48,000 per mile. One hundred and fifty miles west of that point the $32,000 per mile commenced, and that continued through the Ames contract.

Q. I see a stipulation here that the seven trustees in the assignment of the contract were to receive for their services as trustees a reasonable compensation, not to exceed the sum of $3,000 per annum; what did they in fact receive?—A. They received $3,000 per annum. That was paid for one or two years, and I believe they have received nothing since.

Q. For one or two years they received that, and the residue is still unpaid?—A. Yes, sir.

By Mr. HOAR:

Q. Suppose this road had been completed economically, and without unusual haste, and the capital subscribed had been paid in cash, would not the amount of the Government loan of $27,000,000 and the capital stock of $36,000,000, amounting together to $63,000,000, have completed and equipped the road, without reference to the land-grants?—A. Hardly, at the time they commenced work.

Q. Would it not have substantially?—A. With the facilities as they were then, I doubt whether it would have.

Q. In your opinion did the construction and equipment of that road cost the persons who furnished both more than that amount, $63,000,000? I include in that the payment of land damages.—A. I think $65,000,000 would have covered it.

Q. In that case, then, the expenditure of the Government loan of $27,000,000, the capital stock of $36,000,000, and $2,000,000 more in cash, would have completed the entire road and equipped it without reference to the land-grant. Now, if that has been done, would not the stockholders now have had the entire road and its equipment, subject only to the Government claim of $27,000,000, together with all the land-grants?—A. So far as it was completed, they would.

Q. State now what in your best judgment would be the present value of such property, including the land-grant and all its prospects of future development and increase.—A. I have no idea what the road is earning now.

Q. You were its vice-president for many years?—A. I have not been connected with the road for two years, not even as a stockholder.

Q. Have you not a general knowledge of what the road is earning?—A. No, sir.

Q. Look at this statement of the earnings for eleven months in 1872, and state then what you should think the value of such property to be.—A. I should think the stock would be worth 80. The net earnings would be 6¾ per cent., but still you must take into consideration the depreciation of property and the renewal of iron every ten years.

Q. Did you take into consideration the prospect of a large increase of trade?—A. No, sir.

Q. Have you taken into consideration any value whatever of the land-grants? Your calculation is based upon earnings alone.—A. Upon earnings alone.

Q. Now, have you any doubt, as an experienced business man, taking that to be a correct statement of the present earnings and considering the value of this land-grant, that the capital stock of $36,000,000—the

company owning the entire road, equipments, rolling-stock, &c., as they do, subject only to the Government claim of $27,000,000—would be worth considerably above par?—A. No, sir. I do not think it would be worth par. In the first place, I do not think there are two million acres of land worth a cent.

Q. You still think it would be worth 75 or 80?—A. Yes, sir.

Q. What do you think it to be worth now?—A. It depends upon whether the street is "long" or "short" of the stock. I think the last quotation is about 35.

Q. I will ask you the general question whether any of the persons who have held the office of Government director in the Union Pacific Railroad since its original establishment have ever been interested, directly or indirectly, so far as you know, in the Credit Mobilier, or in any contract with the road?—A. I do not recall any, except the case of Mr. Neilson, the son-in-law of James Brooks, about which I have testified.

Q. With that exception, have any of the Government directors been interested in any manner in the Credit Mobilier, or in any contract for the construction of the road?—A. I do not call to mind any.

Q. Or supplying it with coal?—A. No, sir.

Q. I will ask you to read over the list of Government directors and see whether you wish to qualify your answer.—A. I do not recollect any.

Q. Are you a member of the Wyoming Coal Company?—A. I subscribed to its stock to help its organization.

Q. Who are the principal owners of that company?—A. The company was organized for the benefit of the Union Pacific Railroad, and to supply it with coal. Several of the directors subscribed to its stock, as trustees of the Union Pacific road. The parties who work the mine have 10 or 15 per cent. of stock, and the rest is held for the benefit of the Union Pacific Railroad.

Q. Suppose there is a dividend of the stock of this coal company, is that dividend paid into the treasury of the company?—A. The company only pay the actual cost of the coal, $1.82. Any dividend would go to the Union Pacific road. I hold $20,000 of stock, which I paid for in installments out of the trust-funds. The only reason that it stands in my name now is because the Union Pacific will not release the parties that subscribed from any liability in case of debt. I believe that all the stock except about 15 per cent. is held in trust for the Union Pacific road.

By the CHAIRMAN:

Q. When was the first contract entered into in regard to this Wyoming Coal Company?—A. I think it was in 1868.

Q. Who executed that contract?—A. I do not know; I never saw it until after it was executed. I think Mr. Oliver Ames, Mr. Godfrey, and Mr. Wardell. Oliver Ames executed it as president of the road.

Q. When was the company organized?—A. I presume the date stated is correct—February 21, 1868.

Q. Is it not a fact that the Wyoming Coal Company was organized after the date of this contract I have referred to?—A. Yes, sir.

Q. Was this agreement assigned to the Wyoming Coal Company?—A. Supposed to have been.

Q. Under what law was the Wyoming Coal Company organized?—A. The general law of the State of Nebraska.

Q. Who were the directors and officers of the coal company?—A. The directors, I think, were John Duff, Mr. Oliver Ames, and Mr. Wardell. I do not remember whether Mr. Bushnell was one or not. Mr. Duff was president, and Mr. Wardell secretary or treasurer.

Q. Do you know the capital stock of this coal company?—A. I think $500,000, divided into shares of $100 each.

Q. What proportion of the capital stock of the Wyoming Coal Company is held by stockholders or officers of the Union Pacific Railroad?—A. None on their own account.

Q. What percentage of this stock do they hold?—A. I am not positive whether that contract provided that Mr. Wardell should have one-tenth. Whatever it was, he is the only stockholder besides what is held by the Union Pacific Railroad. Possibly he may hold only one-fifth, and the company the rest.

Q. Is the stock in the name of the Union Pacific Railroad?—A. I think they ordered the whole to be transferred to Bushnell, as trustee for the Union Pacific road, but there are some subscribers who have not transferred their stock. I have not, because they have made no report, and if they are in debt I want a release, so that I shall not be individually liable.

Q. Where is the business office of this Wyoming Coal Company?—A. In Omaha.

Q. Do you know what the receipts of the coal company have been?—A. The treasurer informed me the other day that the receipts were barely sufficient to pay the expenses.

Q. Do you know how much had been paid in on the stock?—A. I think about 25 per cent. Stock has never been issued. Certificates have, I understand, been issued within two or three months for the benefit of the company.

Q. Do you know of any money being paid to any commissioner appointed by the Government to inspect this road?—A. I never paid any, nor was any ever paid by my instructions.

Q. Did you ever hear of any being paid?—A. I think we paid Snow $600 and his traveling expenses out there.

Q. Did you ever hear of any money being paid to these commissioners?—A. I heard a good deal of talk about it around the hotels here. They said a man wouldn't take it unless he could make something out of it. I wrote to the president and treasurer to ascertain if that was so. I knew I had paid nothing.

Q. How much money was reputed to have been paid?—A. I have heard as much as $25,000.

Q. Did you ever hear Mr. Alley say anything about any money being paid?—A. No, sir; I do not recollect his saying anything about it.

Q. Who did you hear speak of it?—A. I cannot say. It was the general talk here. I heard of it first here.

Q. Is there anything of that kind in this suspended account we were talking about?—A. No, sir; not a dollar. I never paid anything and don't know anybody that did. They were legally entitled to something, I think. They sent their bills in pretty promptly, bills of Government commissioners.

Q. Has it not been generally understood among you gentlemen who were managing this thing that moneys had been paid to these commissioners in excess of what they were entitled to under the law?—A. No.

Q. You never heard anything of that sort?—A. The commissioners used to get abused a good deal by newspaper correspondents who did not get all they wanted; we could not send excursion trains over twice a day.

Adjourned till the 18th.

WASHINGTON, D. C., *January* 18, 1873.

Testimony of THOMAS C. DURANT continued.

WITNESS. I was asked yesterday whether Government directors had ever been paid anything. I desire to state now that they were paid by the Union Pacific Railroad Company. Their salary was fixed first, I believe, at a per diem, and afterward a resolution was passed to give them $3,000. At the time that Mr. C. T. Sherman was leaving the city he presented a claim for $3,000 a year for three years. His claim amounted to $7,000. I saw Mr. Bushnell, who was one of the committee to which the matter was referred, and he informed me that it was all right; and Mr. Bardwell and myself advanced Mr. Sherman $7,000. I had stated yesterday that I had made no advances to Government directors, and this statement is in explanation of that.

By the CHAIRMAN:

Q. Did Mr. Sherman continue to be a [redacted]nment director after that?—A. No; he was through with it and was leaving the city.

Q. Do you know anything in regard to what was called the Sioux City Construction Company?—A. I suppose it to be the company which constructed what was formerly known as the Sioux City branch of the Union Pacific Railroad.

Q. Were there any changes made, either by legislation or otherwise, which affected the original manner in which these roads were to be constructed? If there were, I wish you to call the attention of the committee to them.—A. The original bill provided that the Union Pacific Railroad proper should commence at the one hundredth meridian, and it authorized or compelled the company to build a branch from some point near the center of Iowa, to be fixed by the President of the United States, to the one hundredth meridian; also a branch to the Sioux City Railroad, to connect with the Union Pacific Railroad at some point which might be determined upon by the President. It also gave the right to the Leavenworth and Pawnee Railroad Company, on the south side, to construct their line to the one hundredth meridian, there to connect with the Union Pacific Railroad, and I think there was a clause in the law that the road which first got to the one hundredth meridian should go on and complete the whole Pacific Railroad. In the law of 1864 there was an amendment to the bill, giving the right to build the Sioux City branch to private corporations, and relieving the Union Pacific Railroad Company from the obligation of building it, and giving to these private corporations all the subsidies which the Union Pacific Railroad Company were allowed for that branch. They got all the subsidies, and everything, and were tied to the same obligations as the Union Pacific Railroad Company, with the exception of being obliged to have Government directors.

Q. State whether you have any knowledge or information in regard to any person having paid anything to anybody in order to get that thing accomplished.—A. I do not know that anything was paid to get that accomplished.

Q. Do you know of any payment being made with reference to that thing?—A. The franchise may have been sold out.

Q. State to the committee all that you have heard on that subject.—A. I think that Mr. Ames and Mr. Alley had a large interest in it. I know I have heard Mr. Ames repeat, on several occasions, that he had paid others for their interest.

Q. Whom did he say that he had paid for their interest?—A. He mentioned the Iowa members of Congress at the time.

Q. Did he mention the names of the members?—A. I think he mentioned the name of Mr. Wilson and of Mr. Allison. I am not positive about Mr. Allison.

Q. Did Mr. Ames tell you what he had to pay?—A. He said he paid $5,000 apiece for some of the interests. I do not know what they were.

Q. Did he tell you he had to pay them in order to get this legislation in that particular case?—A. No; I think it was to get control of the franchise.

Q. When was this Sioux City branch built?—A. It must have been built under some subsequent company.

Q. What subsidies were paid for building this road?—A. The same subsidies as the Union Pacific Railroad got.

Q. At what time, with reference to the passage of this act of 1864, were these payments made that you have spoken of?—A. I do not know; this road is being constructed now by the Sioux City Construction Company.

Q. Were the subsidies in lands, or were they in bonds?—A. They were to have the same Government bonds—$16,000 a mile—and the same quantity of land per mile as we had. We were contesting the lands where they lapped. They got the subsidies in bonds, and such lands as the Government had upon the line.

Q. Was that the same legislation that is embraced in the act of 1864?—A. It is all in the bill known as the Union Pacific Railroad bill.

Q. Who constructed this branch road?—A. I suppose the Sioux City Construction Company did it.

Q. Have you any information as to what parties were largely interested in that Sioux City Construction Company?—A. Mr. Ames was in it; Mr. Alley was in, I believe, and I think that Mr. Dillon had an interest in it. I had no interest myself.

Q. What franchise was it that Mr. Ames said he had to pay $5,000 apiece in order to get?—A. The franchise of whatever parties had the right to that Sioux City line.

Q. Had there been anything at that time done in the construction of that line?—A. Nothing at all.

Q. There had been no organization effected?—A. Except that the Union Pacific Railroad organization controlled the whole thing. But after the amendment of 1864, the Union Pacific Railroad Company had nothing further to do with it. That act cut the Union Pacific Railroad Company out of it, and gave it to private corporations.

Q. And it was for the parties who organized after the act of 1864 that Mr. Ames negotiated?—A. I suppose so.

Q. Is there anything else that you know about that?—A. No, sir; I was considerably annoyed that we lost that branch road.

By Mr. PERRY:

Q. Mr. Barnes has put in a contract about which I wish to ask you a question or two—a contract made by the subscribers to the Credit Mobilier, at or about the time of the subscription, with this condition: that the full powers of the board of directors should be delegated to the New York agency; also, that a railroad bureau should be established, to consist of a board of five managers, three of whom must be directors in the company, and who should have the management of railroad contracts. It was afterward added that that board should consist of seven members. As I understand it, the organization of the Credit Mobilier was kept up by meetings held in Pennsylvania to elect the officers?—A. Yes.

Q. And the records of their meetings were kept in that State?—A. Yes.

Q. The officers who were elected there included the executive committee?—A. Yes.

Q. And that executive committee created the railroad bureau?—A. I do not recollect whether the executive committee did, or whether the directors did. The full powers of the directors were delegated to the executive committee when the directors were not in session.

Q. I find by reference to this book of records that on motion there was appointed an executive committee with the full powers of the board of directors when the board was not in session; also, that on motion the railway bureau be increased to seven members as soon as the assent of the executive committee is obtained. The railway bureau, I take it, made such reports as they did make to the executive committee?—A. They kept a separate book of their proceedings, which were reported to the board of directors.

Q. Where is that book?—A. I do not know.

Q. Did the executive committee make any reports beyond those?—A. I think that the minutes of the railway bureau were always reported to the board of directors, or to the executive committee—generally to the executive committee.

Q. Was there a book kept of the proceedings of the executive committee in New York?—A. There was a record whenever they had a meeting.

Q. Did not your executive committee keep a separate book of their transactions in New York?—A. I am unable to say. The executive committee met very seldom, as the business was confided to the railway bureau. The object of that was this: The charter provided that the majority of the directors should reside in the State of Pennsylvania. It provided, also, that the committee might establish agencies in Europe, or elsewhere, to do the business. They established the New York agency for that business, and then they confided the construction of the road to a board of managers, on which they put three directors. They might put all directors on the board, but they must have three at all events. The object was to get railroad men to manage the business. That was the railway bureau, and they had full authority over construction. They were really the men who did the business. The others kept up the organization.

Q. This is the real record of the proceedings of that bureau?—A. Yes.

Q. You do not know whether there was any record kept by the executive committee?—A. I do not know that the executive committee had more than two or three meetings, and my impression is that their proceedings were put upon the records of the board of directors.

Q. Aside from what there may be on these minutes kept by Mr. Barnes of the proceedings of the executive committee, you are not aware that any book was kept?—A. No, sir.

Q. You think there was not?—A. I think their proceedings were in the record-book of the board of directors.

Q. There is no book covering the action of the board of directors except this one produced by Mr. Barnes?—A. Not that I know of. I have had nothing to do with the company since 1867, and I think that that was all the record that was kept in 1867.

Q. In looking for traces of records of the proceedings of this company we are to look at this book, kept by Mr. Barnes in Philadelphia, and

the book, to which you have referred, kept by the railway bureau in New York?—A. Yes.

Q. And that bureau transacted the chief business of the company?—A. Yes, sir.

Q. As to this suspense account, I wish to see if I have the correct idea of what you stated yesterday. Here is an account of $435,000, running from the 1st of August, 1864, to the 10th of May, 1866; did I understand you that in all these items you put in the vouchers; that is, you put in the receipts or vouchers given to you by the persons who took the money?—A. Yes.

Q. With the exception of traveling expenses?—A. Yes.

Q. With that exception it was all covered by the receipts of the persons to whom you gave the money?—A. Yes, and approved by the committee.

Q. And the committee reported to the board of directors?—A. The accounts were all audited and approved at the time they were paid. This was a subsequent board of directors that wanted to distribute the suspense account over the whole road, and this new board of directors audited it again.

Q. You did state, I believe, pretty satisfactorily, that, according to your knowledge and belief, not a dollar of that amount was paid to influence legislation?—A. I stated so distinctly.

Q. Have I understood you correctly, that you paid something like $100,000 to Mr. Stewart?—A. More than that; two or three hundred thousand dollars. He was employed to settle arrangements with the Leavenworth and Pawnee Railroad people, who were interfering with the bill then pending. Mr. Hay, Mr. Latham, and Mr. Hallett were also employed.

Q. For service out there in Kansas?—A. No; but here in Washington. The Kansas people were all the claimants of the stock; it was an arrangement between the two corporations; they were throwing obstacles in the way of the bill all the while. I think that General Frémont had a million dollars of stock, and they were here with a strong force, ten to our one, and we found that we could not do anything until we had adjusted these difficulties and got their opposition out of the way.

Q. At the time that this money was paid, you and the other trustees interested in it knew for what it was paid?—A. A good deal of it was done in this way: For instance, there was a claim of $1,200,000, and Mr. Stevens got an idea that that claim would be ahead of the Government lien on the Kansas road, and he insisted on inserting a clause in the bill to compel the officers of the railroad companies to swear that the roads were out of debt on every section before the Government issued its bonds. It was the removal of this obstruction that cost us money. The Leavenworth and Pawnee road had already issued a mortgage, and Mr. Stevens contended that that mortgage would be a prior lien to the Government bonds, as well as to the first-mortgage bonds of the company, and we had to arrange to get those bonds taken up. I said to Mr. Hay and Mr. Stewart that we would go to the extent of $500,000 in the matter, but would not go any further. They called for money, from time to time, and as we had not the money to pay all at once, we distributed the pay all along. The details of that matter these gentlemen can explain.

Q. Can you state which of these items in the suspense account are covered by that?—A. This is covered in different items, because the moneys were paid at different times. I took their vouchers and advanced the money.

Q. Then it is for that reason that these items appear to be charged to you?—A. All the items beginning with August 6, down to September 14, 1864, stand in my name, and were all of them money that was paid over to get rid of these claims.

Q. Here is another item, under the head of September 30.—A. All of these items in my name were the same thing; they all refer to that except, as I stated before, where they refer to traveling expenses, &c.

Q. Here is an item charged to Mr. Bushnell, September 21.—A. That is for an account which he rendered. I do not recollect the details of it. I have not the least idea what it was for. He was one of the directors here. I think it was for the purchase of this Leavenworth stock.

Q. There is another item of September 26, of $3,000, charged to Mr. Davis.—A. That was for services, and I think he subscribed $3,000 to the stock.

Q. What services were they?—A. He did a good deal of business for the company. He is the railroad agent in New York, and the purchaser of iron and equipments. He came to Washington for the company two or three times, and he went to several other places for the company. This item may be for his expenses. He came on here once to meet the Cabinet, in order to see about changing the gauge of the road. He was a director in the company at the time.

Q. The next item is $2,000 for Kennedy. Do you know what that was for?—A. That was for his services. I do not recollect what they were for. That sum he paid as an installment in the stock. I think he subscribed for two thousand shares, and paid 10 per cent. on them—the same as he is charged there.

Q. The next item in the suspense account is on September 29; Alexander Hay, $4,000.—A. I do not recollect that. It is, perhaps, something which the company paid him instead of my paying him.

Q. There is an item charged to Mr. McComb, March 21.—A. That was a claim for his expenses in coming to Washington, &c.

Q. The next item is of March 30: "Special committee $50,000." Do you know what that is?—A. That item is simply charged in that way, instead of being charged to me. It was all for the same thing.

Q. It was all paid to get rid of this Kansas difficulty?—A. It was in exchange for those Kansas bonds.

Q. You were asked yesterday whether, to your knowledge or belief, any money was paid by either of these companies to any member of Congress. I now ask you whether any was paid to any executive officer of the Government?—A. I do not think there was. There may have been such a thing as some of this stock being purchased from some officers of the Government, but I do not think that any money was paid to any executive officer. The only executive officer of the Government that I know anything about in connection with it (and he took an active part in the matter) was Mr. John P. Usher. He was very active in the Leavenworth and Pawnee road long before he came here.

Q. Do you know whether any part of this large sum of money that went to Stewart and Hay was paid to him?—A. I do not think it was. I do not know. I cannot answer what Stewart did with it. I have been trying to think whom he saw here at that time. I saw but very few executive officers or members of Congress.

Q. I want you to state, from your recollection or belief, whether from your conversation with persons employed by you or by your company in relation to these transactions here any money went to any executive

officer of the Government?—A. I do not think any did. Our difficulty at that time was not to get the bill amended, because everybody was in favor of that and everybody wanted the road built. The difficulty was to arrange the troubles between the corporations and the embarrassment which this Leavenworth and Pawnee road had got into. Mr. Stewart did give me a statement. He wrote me a letter after the last thing was closed up, giving me a full statement. I did not read the letter through, but I showed it to Mr. Harbaugh, I think, and he said, "This is an important document; let me put it on file." I have never been able to see it since. I applied to Mr. Stewart years ago to see if he could make me up another statement, but I have never got it.

Q. I understand you to say that, to the best of your knowledge and belief, there was no money or valuable thing paid to any executive officer of the Government?—A. Not to my knowledge. These items in the suspense account were frequently paid in small sums, and one of these entries may cover twenty items.

By Mr. HOAR:

Q. Are the first-mortgage bonds of the Union Pacific Railroad Company so registered that there is any mode of ascertaining who were the holders of those bonds at any particular time?—A. The numbers of the bonds were kept in the office up to a certain time. I do not remember whether whenever a bond was sold the name of the person to whom it was sold was taken. After 1866 or 1867 there were no numbers to the bonds. They are coupon bonds, and change from hand to hand. There is no registration of the bonds.

Q. Is the mortgage to the trustees for the bondholders?—A. The mortgage is to the trustees.

Q. Who are the trustees?—A. Governor Morgan and Oakes Ames.

Q. Have you any information as to where the larger proportion of these bonds are now held?—A. I have not. Small parcels have changed hands probably twenty times. They have been on the market for several years.

Q. Are you yourself the holder of any of those bonds now?—A. No, sir; I am not.

Q. Are any of them held by the Credit Mobilier, or by the trustees, so far as you know?—A. Not so far as I know. I do not think the Credit Mobilier has any.

By the CHAIRMAN:

Q. Does the Credit Mobilier own any stock of the Union Pacific Railroad Company?—A. I do not know.

Q. Please explain to the committee the character of these land-grant bonds, and under what authority they were issued, and when they were issued, and the whole amount of them, as near as you can.—A. I think the amount is about $10,000,000. They were issued under a deed of trust on the lands as the company acquired them. The trust is to secure the payment of so many bonds per mile.

Q. That deed of trust was executed by whom?—A. By the Union Pacific Railroad Company.

Q. Does it cover lands for which patents have not been received, or is it confined only to lands for which the patents were already received?—A. It covers all the lands embraced in the grant.

Q. Who are the trustees in that deed of trust?—A. I think the trustees are John Duff and Cyrus McCormick.

Q. Where can a copy of that deed be found?—A. In the company's

office. Either of the trustees will probably have it, as copies were printed for circulation.

Q. Is there any mode of ascertaining who are the holders of those land-grant bonds?—A. They are coupon bonds payable to bearer.

Q. How were they sold—in the open market?—A. Some of them.

Q. Or were they sold to the stockholders of the Credit Mobilier?—A. I cannot answer that. They were sold after the office was removed to Boston. They were sold in parcels at the time according as the company wanted the money. I do not recollect that I ever was the owner of one.

Q. Have you any information as to how they were disposed of?—A. I think that the first lot of them was offered to the stockholders of the Union Pacific Railroad Company at a certain price.

Q. At what price?—A. I do not recollect the price. I know I did not take mine, and a great many others did not take theirs.

Q. Have the whole $10,000,000 of bonds been sold?—A. I cannot answer; I do not know.

Q. What is your best information on that subject?—A. At the last meeting of stockholders that I attended two years since, I think there were some still in the possession of the company. I think the report stated so, but I am not positive.

Q. At what rate were those bonds offered to you when they were offered?—A. I cannot say whether it was 55 or 65, but it was a price which I did not think they were worth, and I did not take any.

By Mr. HOAR:

Q. What generally was done with these land-grant bonds; to whom were the $10,000,000 issued?—A. They were sold to anybody who would take them from time to time during two or three years.

Q. Did the Credit Mobilier buy any of them?—A. O, no.

Q. For what end were they issued?—A. The Union Pacific Railroad Company was in debt.

Q. What debt had the company? Did it owe any considerable debt except to those persons who had the construction contracts?—A. They owed for construction, and it took no inconsiderable amount to pay the interest on the first-mortgage bonds, while the company was earning nothing. I think they have used some money in aiding other roads out there.

Q. What other roads?—A. I suppose the connecting roads there.

Q. What ones?—A. I am unable to say. I think some roads near Denver and some roads in Salt Lake Valley.

Q. Are any of the other roads that were aided by this money which was realized on the land-grant bonds of the Union Pacific Railroad roads in which any of those gentlemen of the Credit Mobilier were interested?—A. I have not the least idea, for I paid no attention to the affairs of the company since 1869.

Q. When were these land-grant bonds issued?—A. I cannot tell you. I think the company commenced issuing them in the latter part of 1868 or the fore part of 1869. The first issue was to be $3,000,000.

Q. Is the deed of trust in the nature of a mortgage?—A. It is in the nature of a deed of trust and a mortgage.

Q. According to your estimate of the value of the lands, this land-grant mortgage is a mortgage of the entire value of those lands. They are mortgaged up to the full value?—A. I do not know what they are selling their lands at.

Q. You stated yesterday that you did not consider all the rights

the company to public lands equal to more than a few millions of dollars?—A. Not what they have got outstanding now. The company has redeemed some of these bonds.

Q. You stated that all the land was only worth a few millions of dollars?—A. I did not intend to be so understood. I stated that I did not think that more than 2,000,000 acres of the land were of much value.

Q. Be good enough to state what, in your judgment, the right of this company in the public lands, assuming that right to be complete, is worth?—A. I cannot tell you, for I do not know whether the land is selling at $2 or $5 or $10 an acre.

Q. You have no knowledge on the subject?—A. No, sir.

By Mr. SHELLABARGER:

Q. Do you know how much of these land-grant bonds the Union Pacific Railroad Company has yet under its control?—A. I know nothing of its affairs since 1869.

Q. Where is that mortgage recorded?—A. It is recorded on the line of the road, and either in the office of the Secretary of the Interior, or of the Secretary of the Treasury, or probably in both of them.

By Mr. PERRY:

Q. Your railway bureau consisted of three directors of the Union Pacific Railroad Company?—A. They were not necessarily directors of the Union Pacific Railroad Company. It was not necessary that they should be at all in the Union Pacific Railroad Company.

Q. Did it consist in part of directors or stockholders in the Union Pacific Railroad Company?—A. Yes; two or three of them were.

Q. When these first-mortgage bonds were issued under the act of 1864, where was that mortgage first determined upon—in this executive committee or in this railway bureau?—A. Neither one of them had anything to do with it. That mortgage was the business of the Union Pacific Railroad Company, and not of the Credit Mobilier.

Q. You mean to say that the Credit Mobilier or its executive committee had nothing to do with getting up that mortgage?—A. Nothing at all. I think it was done before the Credit Mobilier had anything to do with the road.

Q. Before the proxies by the Union Pacific stockholders were given?—A. Yes. We had nearly 600 miles of road done when these were given.

Q. The resolution relative to the land-grant bonds was adopted May 12, 1864?—A. Yes; and this Credit Mobilier came in May 15, 1865. At that time we could not get the Government bonds, and we could not issue our first-mortgage bonds until we had got the Government bonds.

Q. Now as to the first-mortgage bonds authorized under the act of May, 1864?—A. They were issued in 1864 or 1865. We had nothing to do with the Credit Mobilier until 1865. This Credit Mobilier stock was transferred to us in 1865, with 1 or 2 per cent. paid upon it, and we paid it up in full. The charter had been bought for another purpose.

Q. You bought the charter before the re-organization?—A. I had an interest in it before the re-organization. When we took it we found a certain amount of stock paid up; I think 2 per cent.

Q. When you first bought that it was under an organization started by Duff Green?—A. I do not know when it was started, but it was called the Pennsylvania Fiscal Agency. I paid $500 as my subscription to the stock.

Q. You paid about $30,000 for the charter, altogether?—A. Yes; it cost us about $40,000, altogether.

Q. When you first made that arrangement it was existing as a fiscal agency, and there had been nothing paid on it?—A. The treasurer's account showed that there had been about 1 or 2 per cent. paid upon the stock subscriptions.

Q. Whatever it was, that organization was abandoned?—A. No; they kept up the organization.

Q. The first organization as a fiscal agency was wholly abandoned?—A. That was before I knew anything about it. We got it while Mr. Barnes was in it.

Q. When did you first take the transfer of the stock?—A. I cannot say; I paid no attention to it; I advanced $5,000 and took 500 shares myself. This must have been in the winter of 1863 or 1864.

Q. Has not your attention been called to the steps taken in the organization?—A. No.

Q. Here was originally an organization made on the 7th of November, 1859. There were no meetings held after that down to May 21, 1863; but, in the mean time, as I understand it, there had been some litigation. On May 29, 1863, the original commissioners under the act opened a new subscription, just as if it had never been organized, and when the subscription was made the governor issued his letters-patent?—A. That I do not know anything about. It was before I had anything to do with it.

Q. The first you knew of it was about March, 1865?—A. No; during the winter of 1864 some parties were offering the charter for sale. I thought it might be a good thing for operations in New York. I proposed to make it a sort of half-way banking concern. I advanced $5,000 to Mr. Train, who went on and made the negotiation. I subscribed for 500 shares of stock, and that was the last I knew of it until March, 1865. Then I found that we were obliged to have this corporation. They had attempted to build the road on individual subscription, but they could not do it on account of individual responsibility. Then this was taken to restrict the responsibility to the amount of cash paid in.

Q. How soon after that did you commence negotiating with the Union Pacific Railroad Company for the contract to build its road?—A. The contract was made a long time previous to that. We took the contract of a contractor who had failed and offered to surrender his contract to the company.

Q. Who do you mean by "we?"—A. I mean the parties who subscribed to that paper. The Credit Mobilier took it. Mr. Hoxie took the contract first, and went along as far as he could. Then he made an attempt to raise $1,600,000. The subscribers paid the first installment of 25 per cent., but when they were called upon to pay the second installment everything looked so blue that the parties said, "No; we are general partners and will not go on unless you can limit our liability." So we took this charter. I had it examined; I thought it would answer our purpose, and transferred the subscriptions which had gone in individually in order to furnish this company with a capital of $2,500,000. The company then guaranteed Mr. Hoxie's contract and went on with it. On the day that was done Mr. Hoxie had requested the Union Pacific Railroad Company to take his contract back.

Q. So that this is about the first date of your mutual relations?—A. That is the first the two companies had anything to do with each other.

By Mr. SHELLABARGER:

Q. Give me the resolution that was passed in reference to the Am

contract.—A. The Ames proposition was made August 16, 1867. It was a proposition made to the officers and board of directors of the Union Pacific Railroad Company to this effect: "I propose to construct, for your company, 667 miles of your road, commencing at the 100th meridian, westward, for the following prices, &c.; provided the details of a contract can be arranged, by a committee of your board and myself, satisfactorily."

Q. What was the action of the board on that proposition?—A. The proposition of Mr. Ames was adopted by the following vote: *Yeas*—Durant, Tuttle, Cisco, McComb, Ames, Bardwell, Dillon, Macy, Tracy, Cooke, Harbaugh, Ashmun, and Sherman. *Nays*—Carter and Williams. Mr. Carter had offered the following resolution, which was lost: "Resolved, That the contract now under consideration be limited to the Laramie River, so as to leave a part of the $48,000 per mile subsidy to go with a future contract, which will include the Washita range, known to be the heaviest and most expensive portion of the road." The next resolution relative to the contract was on the same day, as follows: "Resolved, That the contract adopted this day be referred to the executive committee to settle the details; and when the same is approved by the said executive committee, the president *pro tem.* and secretary are hereby authorized to execute the same in the name of the company; and it is further ordered that when executed, the secretary record the same on the minutes of the board." Here is a copy of the contract as drawn up in detail by the executive committee, and here are the resolutions passed upon it. Mr. Williams, Government director, suggested that it should be left in the option of the board to extend that contract to Salt Lake, if it did not cover the Washita range, and then the following resolution was offered and adopted: "Resolved, That the option to extend this contract to Salt Lake be referred to the board, with the recommendation that the option be accepted." That was on October 1, 1867.

Q. Was there stock originally issued to the Credit Mobilier in gross, in large quantities, and then afterwards taken up and canceled and then re-issued as dividends of stock?—A. O, no, sir. I will tell you how that was done. In the first place the Credit Mobilier subscribed to a certain amount of stock and paid thirty per cent. on it, leaving seventy per cent. to be paid. This stock they disposed of among their stockholders. They afterwards, when the Pacific Railway was in want of money, would pay one, two, or three hundred thousand dollars, as the case might be, to them, and took a receipt that they paid so much money on account of stock, and it was credited for new subscriptions. These receipts were issued to their stockholders. Some of them took the receipts and subscribed it as so much money; others used it to pay up their subscription fully. After that all subscriptions were paid up in full.

Q. What was the amount of this subscription on which the Credit Mobilier paid thirty per cent.?—A. I think the first subscription was for 500 shares; it might have been 5,000. If it was 5,000 they paid $150,000 cash and took a subscription certificate for thirty per cent., leaving it subject to a call of seventy per cent.

Q. From the books in your possession, are you able to state the various amounts issued in that way?—A. I am not familiar enough with the books to know where to look for them.

Q. Can you state the aggregate amount of stock that was issued to the Credit Mobilier in the way you have just described?—A. I think the Credit Mobilier took, including the stock purchased of other parties on which ten per cent. had been paid, somewhere about five millions.

Q. That includes all that it took from first to last?—A. From first to last.

Q. Now, then, what other stock was subscribed than this $5,000,000 and that $2,000,000, which you testified about yesterday?—A. No other.

Q. One of the witnesses has testified that stock was issued to him in his own name as dividends upon his Credit Mobilier stock, and taken by him at thirty per cent. of its par value, but he could not testify whether or not that stock had been previously issued to the Credit Mobilier in gross and then taken up and re-issued to the stockholders. Can you state how that was?—A. Most of the difficulties people labor under in regard to this matter is that they confound the two corporations. That witness, probably, received his stock from the Credit Mobilier, upon which they had paid thirty per cent. He owes the Pacific Railroad seventy per cent. on that stock whenever they choose to call for it.

Q. Your statement is that when the dividend was made to a stockholder in the Credit Mobilier at 30 per cent., and he received a certificate, say, for one share of Union Pacific Railroad stock, he took it subject to the obligation to pay 70 per cent. before he would be entitled to the full stock?—A. Yes, sir. They were not made as dividends; they were made as sales.

Q. Is that true now of all this stock we see in the papers that have been shown here, as issued by the Credit Mobilier as dividends? The stockholders took all the shares of stock therein described subject to an obligation to pay to the Union Pacific Railway the balance due on the stock?—A. No, sir. I spoke only with reference to the Credit Mobilier under the Hoxie contract. When you come to the Oakes Ames contract that is a different thing.

Q. Mr. Barnes, a witness here, said that he received a dividend on his Credit Mobilier stock of 40 shares, said dividend consisting partly of cash and partly of stock in the Union Pacific Railway issued to him in his own name and not subject to future payments, and he understood the same thing was done with each stockholder who stood in the same position he did. Is that inaccurate?—A. Inaccurate so far as he confounds the two contracts. So far as the seven-trustee contract was concerned, the treasurer of the trustees subscribed and paid the Union Pacific Railroad Company such sums as it from time to time wanted, and stock therefor was issued in the name of the treasurer of the seven trustees. When they came to divide it up they had it transferred on the books of the Union Pacific Railway Company, and a new certificate issued to the person entitled to the same.

Q. Then this dividend was made out of fully-paid stock in the Union Pacific Railway?—A. Yes, sir.

Q. Here are several transfers after March, 1866, and before the completion of these contracts, say to the middle of the year 1868; in what way did you get at the value of the stock? Here, for instance, is a sale to Mr. A. A. Low of one hundred shares in June, 1867.—A. Mr. Low's was sold at par.

Q. Did you make any sales of stock held by you to any person for the purpose of inducing that person to go into the Credit Mobilier in order to obtain his name, influence, or credit?—A. Only to get his money.

Q. I did not ask you that. Did you make any sales of shares of the Credit Mobilier for the sake of obtaining influence, credit, or standing?—A. In making sales we made them to the best parties we could find. I never sold any stock for influence.

Q. Do you know who Pierrepont H. Foster is?—A. I do not.

Q. Do you know anything about the transaction with Sewall H. Fessenden, who appears to have bought some stock?—A. I do not.

Q. You have no knowledge of Mr. Fessenden having been a near relative of any influential member of Congress?—A. None whatever. This stock appears to have been issued March 26, 1867. It is evidently issued at the time we were selling the increase. Some parties were unable to take the increase and sold out, and the new stock would be issued direct to the purchaser.

Q. Is there anything on the books that will show whether such was the case in this instance?—A. I think the other books will explain it.

Q. You refer to the books that are lost?—A. I do not think they are lost. I think they are filed away in a loft in New York, and can be found.

The following are papers referred to in the foregoing testimony of T. Durant:

The following communication was then received from the vice-president, Mr. Durant:

NEW YORK, *November* 27, 1868.

Board of Directors of the Union Pacific Railroad Company:

GENTLEMEN: I hand you herewith copy of contract and an assignment of the same in trust to the same parties who are trustees for the assignees of the Ames contract, the whole subject to the approval of the stockholders of the Union Pacific Railroad Company. I found it absolutely necessary, in order to carry out the wishes of the board, to commence work on this portion of the road at once. The present organization, with its large outfit of teams, tools, and men, presented the best available means of doing the same. To have created an entirely new organization would cause so much delay that the programme of the company for the year would have been endangered. Should your stockholders not sanction the contract, you will have to make some fair arrangement with the trustees of the Ames contract for the use of their outfit. On the other hand, if approved, the work can go on under the same organization as heretofore. Referring the whole subject for your action, I remain, very respectfully, yours, &c.,

THOS. C. DURANT,
Vice-President and General Agent.

There having been no meeting of your board since the date hereof, I hand the report to your executive committee. You will perceive I have taken the terms of the Oakes Ames contract as a base, believing that to be the wishes of the stockholders who approved said contract.

WEBER, *November* 1, 1868.

SIR: I will build and equip, according to the specifications of the contract made by your company with Oakes Ames, esq., all that portion of your road not embraced in the said contract, and west of the same, upon the conditions and terms embraced in said contract for the *pro-rata* price per mile, according to the amount of work to be done, which rate shall be established by competent engineers, in such manner as your board shall determine.

Yours, &c.,

JAMES W. DAVIS.

THOS. C. DURANT,
Vice-President and General Agent, Union Pacific Railroad Co.

Accepted, subject to approval of all the stockholders of Nov. 1.

THOS. C. DURANT,
Vice-President and General Agent.

WEBER, *November* 6, 1868.

Know all men by these presents, that I, J. W. Davis, do hereby, in consideration of one dollar, lawful money of the United States, to me in hand paid, and for other considerations to me satisfactory, do hereby assign, transfer, and set over to Oliver Ames, Thomas C. Durant, John Duff, Sidney Dillon, H. S. McComb, B. E. Bates, and C. S. Bushnell, trustees for the stockholders of the Union Pacific Railroad Company, the contract made with me for building a portion of their road, dated November 1, to have and to hold the same as trustees aforesaid, and all benefits and profits accruing from the same, they assuming and paying all losses and liabilities of every kind; said profits, if any, to be divided *pro rata* according to the amount of stock held by each stockholder, or to which he was entitled on the 1st day of November. This assignment and the contract referred to being subject to the approval of the aforesaid stockholders.

JAMES W. DAVIS.

Witness:
C. L. FROST.

On motion of Mr. McComb,

Resolved, That the report of the vice-president, Mr. Durant, be accepted, the contract and assignment approved, and referred to a committee, consisting of Messrs. Duff and Bushnell, with instructions to put the same in proper form, if any change is desirable, and ascertain if the stockholders consent to the same.

247 miles Hoxie contract		$12,696,550 87
Estimated cost of transportation of iron		102,052 13
Abandoned line	$175,813 25	
Interest allowed	7,748 81	
		183,562 06
		12,982,165 00
713 miles Ames contract and portions Davis, per estimate of engineer	$55,391,363 00	
Cost of equipment, furnished engines, buildings, &c.	5,035,563 00	
		60,426,926 00
		73,409,091 00

Dividends and allotments as shown by books here. (*Copies here.*)

Hoxie contract, cash	$450,000	
Ames's trustees, cash	3,375,000	
Bonds at par	5,812,500	
Stock at par	11,250,000	
Total	20,877,500	=28.45 per cent.

Total dividends and allotments.

Calling bonds at 85 per cent. } $12,140,625=16.53 per cent.
Stock at 30 per cent. }

This estimate assumes that the present assets of the "Credit Mobilier of America" are worth the par value of the stock.

In the supreme court of the State of Rhode Island.

ISAAC P. HAZARD ET AL.
vs.
THOMAS C. DURANT ET AL.

Mr. Lambard offered the following resolution, which was adopted:

Resolved, That Oliver Ames, president *pro tempore*, and John J. Cisco, treasurer, be a committee to inform themselves in regard to the details of the so-called suspense account of this company, also to audit any further claims on this account, and that their statement to this board that the facts in the premises are satisfactory to them shall end all further discussion, and that the accounts shall be closed and charged to construction.

Meeting of board of directors, January 4, 1867.

(Copy.)

Messrs. Ames and Cisco, a committee appointed by virtue of a resolution passed at a meeting of the board of directors, of January 4, 1867, report as follows:

Statement of suspense-account.

1864.			
August	1.	T. C. Durant	$44,549 45
August	25.	T. C. Durant	4,000 00
Sept.	1.	T. C. Durant	66,325 00
Sept.	14.	T. C. Durant	13,128 13
Sept.	14.	T. C. Durant	6,500 00
Sept.	21.	C. S. Bushnell	15,751 63
Sept.	26.	G. T. M. Davis	3,000 00
Sept.	29.	James C. Kennedy	2,000 00
Sept.	29.	Alexander Hay	4,000 00
Sept.	30.	T. C. Durant	50,000 00
Sept.	30.	T. C. Durant	8,000 00
March	21.	T. C. Durant	30,000 00
March	21.	T. C. Durant	5,500 00
March	21.	H. S. McComb	1,000 00
1865.			
Dec.	29.	T. C. Durant	112,000 00
1866.			
March	30.	Special committee	50,000 00
May	10.	Special committee	20,000 00
		Total	435,754 21

To the Board of Directors of the Union Pacific Railroad Company:

The undersigned, special committee appointed by the resolution of this board, passed January 4, 1867, respectfully report that we have informed ourselves as to the details of the accounts of which the foregoing is a settlement, and have found that the several amounts were paid, as above contained, upon proper authority, and that the facts in the premises are satisfactory to us.

OLIVER AMES.
JOHN J. CISCO.

NEW YORK, *September* 11, 1867.

On motion of Mr. McComb,

Resolved, That the report of the special committee in respect to certain suspense-accounts be approved and adopted, and that said accounts be closed, and charged to construction.

WASHINGTON, D. C., *January* 18, 1873.

OLIVER W. BARNES sworn and examined.

By Mr. HOAR:

Question. Where do you reside?—Answer. In New York City.

Q. Have you at any time held any office either in the Union Pacific Railroad Company or the Credit Mobilier; if so, what office have you held, and what has been your personal interest in each company?—A. I was secretary of the Credit Mobilier of America from the first meeting of the stockholders, on the 29th of May, 1863, till the 21st of May, 1870. I held no office in the Union Pacific Railroad Company.

Q. What personal interest, if any, had you in the Union Pacific Railroad Company?—A. I was a stockholder.

Q. What amount of stock did you hold?—A. I cannot recollect the amount—various amounts at various times. Sometimes I bought stock, and sometimes I sold it.

Q. You speculated in the stock?—A. I made investments sometimes, and sold as I thought proper.

Q. You bought and sold for profit?—A. Yes.

Q. Were you a subscriber to the stock originally?—A. No, sir.

Q. From whom did you procure the first stock that you held from the Union Pacific Railroad Company?—A. I acquired it from the company.

Q. Without a subscription?—A. I think I purchased it in the market, and then it was transferred to me.

Q. Do you mean that you purchased from a broker?—A. Yes, I purchased it through a broker in the open market.

Q. Was the stock which you held ever paid for to the company in cash?—A. I do not know; I presume it was.

Q. What was your interest in the Credit Mobilier?—A. I held forty shares of stock. I was an original subscriber.

Q. At what time did you take those forty shares?—A. In 1864, I think. I cannot tell the precise month.

Q. When did you pay for it?—A. I think I paid for it at that time.

Q. What dividends have you received on that stock altogether, and when was the first dividend paid?—A. The first dividend was on the 1st January, 1867.

Q. How much was that?—A. A dividend of 6 per cent. per annum was declared for each year, ending November 1, 1866, and November 1, 1867, payable in the stock of the Union Pacific Railroad Company, at 30 per cent. of its par value, in accordance with the circular which I have in my hand. This is the official notice of the first dividend. (Appended to the testimony.)

Q. Did you all receive interest at the rate of 14½ per cent. per annum, and compound interest on it, and six months' interest at 7 per cent.?—A. Yes, whatever is mentioned in that circular.

Q. Have you any other circulars like this, issued at times of any other dividends made by the Credit Mobilier?—A. No, sir; I think that was the only printed circular issued in relation to dividends.

Q. To whom was the money paid in on your original subscription,

and how was it paid?—A. That I do not recollect. I think it was paid at the New York office.

Q. In cash?—A. I think so; it is so long ago that I do not recollect.

Q. Are you able to tell the committee whether there was any actual cash payments made by you to the original capital of the Credit Mobilier?—A. Yes, sir; it was all paid in cash, but I do not recollect at what time or the precise amount of the installments.

Q. Do you know whether it was paid in one payment, or by installments?—A. I think it was all paid in one payment.

Q. How long should you think you had paid out cash for your subscription before you received this 6 per cent. dividend?—A. Some three years had expired.

Q. You received for that cash payment to the Credit Mobilier a larger amount of the Union Pacific Railroad stock than the entire amount of the cash which you paid in to the Credit Mobilier would represent at par?—A. I think so.

Q. That is, you received in Union Pacific Railroad stock, at 30 per cent. of its par value, 12 per cent. of your Credit Mobilier stock?—A. Yes; that would be equal to about 36 per cent.

Q. Did you receive this 14½ per cent. per annum, which would make for three years (to say nothing of the compound interest) 43½ per cent.—did you receive that in Union Pacific Railroad stock, or in cash?—A. That was in cash.

Q. So that, under this resolution, you received 43½ per cent. of your original subscription in cash, and 30 per cent. in Union Pacific Railroad stock?—A. Yes.

Q. Were you in the habit of attending the meetings of the executive committee of the Credit Mobilier?—A. No, sir. The principal business of the company was done in the city of New York, and I resided at that time in Pennsylvania. The Philadelphia office, with which I was connected, was merely formal.

Q. What knowledge had you in regard to the transactions of the Credit Mobilier other than the receipt of your dividends?—A. I had nothing except the reports that were made from the New York office, verbally sometimes, and sometimes written, once a year.

Q. What would those reports consist of? What was their general form and character?—A. They were generally a balance-sheet, showing the statement of the company's affairs at that time.

Q. Where are those balance-sheets?—A. I have not any of them; they are in the possession of the company in Boston.

Q. Are they entered on the books?—A. They are not on the Philadelphia books.

Q. Did they show how the profits were made?—A. Yes; I think they did. Mr. Ham kept these accounts.

Q. What means had you of knowing that the account that was rendered you of the profits of the Credit Mobilier was a faithful and true account?—A. I had no means of knowing.

Q. You took the word of the executive committee for that fact?—A. Yes, sir.

Q. Had you, at the time you went into the Credit Mobilier, any interest in the Union Pacific Railroad Company?—A. No, sir.

Q. Did you go into the Credit Mobilier before it was determined to undertake this business of building the Union Pacific Railroad?—A. Yes, sir.

Q. State whether at the time it was determined to go into that busi-

ness you had any interest in the Union Pacific Railroad Company.—A. No, sir.

Q. Had you anything to do with the negotiation by which the original charter of the Credit Mobilier was acquired by those gentlemen who engaged it in the construction of the Union Pacific Railroad?—A. Yes, sir; I had.

Q. With whom was that negotiation made?—A. The negotiation for the charter was made by Thomas C. Durant, through George Francis Train, as his agent, with myself and Charles M. Hall, of Philadelphia.

Q. Give to the committee the history of that negotiation, substantially. Did any other person take part, on the part of the purchasers, except Mr. Train?—A. No, sir; nobody else. We saw nobody else. Mr. Train came from New York to Philadelphia, and asked Mr. Hall and myself if we controlled that charter, and we said we did.

Q. At that time had the persons who owned that charter any considerable amount of money invested in it, or was it a substantially defunct organization?—A. It was a living organization, but it had not been used at that time.

Q. Had the capital stock been paid in?—A. The first installment had been paid in, either 2½ or 5 per cent. upon 100 shares. The Duff Green payment had never been made.

Q. Go on and give a history of the negotiation.—A. These men stated that they wanted the charter for the purpose of using it in building the Union Pacific Railroad, and they were willing to pay us our expenses and some consideration for having carried the thing so long as we had; and on the payment of this money, we made them a transfer of the stock which we held.

Q. How much did they pay you?—A. I do not recollect; I think it was $25,000 or $30,000. There had been considerable expense connected with it, and they repaid this. The amount did not exceed $30,000, I think.

Q. Was it a part of the consideration that you should become stockholders in the new organization?—A. No, sir; I think not. I think we paid for some stock at the time we made the arrangement. We agreed to take a certain number of shares ourselves. I took the forty shares of which I have already spoken.

Q. Had you any active part in the concerns of the Credit Mobilier after that time, except recording the meetings of the board that took place in Philadelphia?—A. No, sir; I had nothing else to do with it. I occasionally attended meetings in New York, but I do not recollect any important business being transacted while I was there.

Q. You say you never knew of the details of the business, so as to have any knowledge whether the accounts rendered were correct or not?—A. No, sir; I did not.

Q. Had you any knowledge of those changes in the form of the contract by which it was taken, first by Mr. Ames, and afterward by the trustees, for the stockholders of the Credit Mobilier, instead of being taken by the Credit Mobilier itself?—A. I knew nothing about it until after it was accomplished.

Q. From whom did you then learn the fact?—A. I signed a paper in New York, which it was necessary to sign in order to accomplish it.

Q. At whose request did you sign that paper?—A. At the request of Mr. Durant.

Q. What was the avowed reason given to you for that change?—A. I do not recollect any definite reason, other than that there had been some dispute among the boards of directors of the two companies.

Q. Had there not been a claim, on the part of the State of Pennsylvania, to tax the dividends which the Credit Mobilier made at that time?—A. Yes.

Q. And after that claim on the part of the State, were there any further Credit Mobilier dividends made directly, as made by the Credit Mobilier itself, not by the trustees?—A. Not after that time.

Q. Did not these changes of form in that transaction occur soon after this claim, made by the authorities of the State of Pennsylvania, to tax the dividends?—A. Yes.

Q. Was that not the reason of the change in the method of doing the business, to escape the taxation of these dividends by the State of Pennsylvania?—A. I believe they complained a good deal of the taxes in Pennsylvania.

Q. Did you not understand that that was the reason for making this change?—A. I understood that that was one of the reasons; but that there were others.

Q. Did you not understand that that was the principal reason?—A. No, sir; not the principal reason.

Q. What other?—A. The disputes between the two boards of directors.

Q. Were not the controlling powers of the two boards precisely the same?—A. No, sir; I do not think they were.

Q. After the contract was transferred to these trustees, what interests controlled the Credit Mobilier that did not control the Union Pacific Railroad Company?—A. I do not think it was understood that the Credit Mobilier controlled the Union Pacific Railroad Company at that time.

Q. How did you understand that this change from the Credit Mobilier to a board of trustees for the stockholders of the Credit Mobilier removed these disputes between the two boards?—A. By procuring the assent of the stockholders of the Union Pacific Railroad Company to a new arrangement.

Q. In other words, you understood that the new arrangement contemplated a plan by which the Credit Mobilier, or those who represented it, should acquire the control of the Union Pacific Railroad?—A. No, sir; I did not understand that.

Q. I ask you how those disputes were to be removed by a change in the method of transacting the business on behalf of the Credit Mobilier?—A. I believe that the assent of all parties interested was to be obtained to this arrangement. That is the way the difficulty was solved.

Q. Was it not a part of this new arrangement that the assent of all of the stockholders of the Union Pacific Railroad Company should be obtained by an irrevocable proxy from every one who received a dividend?—A. I believe I signed a paper of that kind.

Q. No stockholder in the Union Pacific Railroad Company could receive any dividend under this arrangement until he had first accepted it as a stockholder in the Credit Mobilier?—A. I do not understand it in that way.

Q. In what way do you understand it?—A. My recollection in regard to the details of the arrangement is very obscure. The agreement itself is in existence.

By Mr. SHELLABARGER:

Q. The true understanding of it is in the contract?—A. Yes, sir; I had no other understanding.

Q. Have you any of the books or the papers of the Credit Mobilier

in your custody other than this book of records?—A. No, sir; nothing of importance.

Q. What have you of these papers in the Philadelphia office?—A. I think the papers that relate to the company were all sent to New York. I have here the report of the treasurer to the stockholders, made at the meeting of May 19, 1866. (Appended to the testimony.)

Q. What does the word "scrip" here mean?—A. It is some kind of a temporary paper in reference to Union Pacific Railroad Company, convertible at a certain time into stock.

Q. Where was the stock at that time?—A. I do not know what it was issued for, or when it was issued.

Q. Had the Credit Mobilier any Union Pacific Railroad stock at that time, or was it simply an agreement to procure the stock to be issued?—A. As I understood it, it was to be issued in the future by the New York agency.)

Q. That stock, so far as it was issued in the future and received by the stockholders of the Credit Mobilier, was always received at a large discount, was it not?—A. I think it was.

Q. So that, in point of fact, the Credit Mobilier gave to its stockholders an agreement to procure and give to them, at a large discount, stock of the Union Pacific Railroad Company, which had not been issued at that time, but was to be issued in the future?—A. Yes, sir.

Q. What other memoranda have you here?—A. I have the list of stockholders at the annual meetings in May, 1866, '67, and '68; and I have a circular from the Union Pacific Railroad Company to its stockholders, dated April 10, 1869.

(These papers were put in evidence, and are annexed to the evidence.)

By the CHAIRMAN:

Q. State from what these lists of stockholders were made.—A. From the books in the New York office.

Q. Are you able to give us a list of the present stockholders of the Credit Mobilier?—A. I am not.

Q. Can you make a list of them from the stock-ledger?—A. Mr. Ham can do so.

Q. Although secretary of the company, and a stockholder, you had no detailed account in print or in writing of the receipts and expenditures of the trustees, on which these dividends were made, and you had no knowledge of their transactions?—A. I had no knowledge of their transactions except from their annual reports.

Q. And these were merely a balance-sheet?—A. Merely a balance-sheet.

Q. Showing neither vouchers nor details?—A. No, sir. I had the corporate existence of the company in charge.

Q. And in your capacity as stockholder you had nothing but a statement of the trustees of the amount which you were entitled to receive unless you chose to go to the books in New York, and make an examination there?—A. That is all.

Q. There was no printed or written statement?—A. No, sir.

Q. There was no publicity given in any form?—A. No publicity.

Q. The thing was kept private?—A. Yes, sir; outside of the stockholders.

Q. Have you any of those balance-sheets?—A. No, sir; they were all turned over to Mr. Ham.

Q. Are there any books or papers in the Philadelphia office?—A. No,

sir. Most of the books and papers that are in Philadelphia at all, are in the custody of Mr. Robert McMurtrie.

Q. You have no books or papers in the Philadelphia office?—A. None of any importance except those which I have given you. They were all turned over to my successor in Philadelphia.

Q. Have you any at all, other than those you have produced here?—A. No, sir; nothing that I consider of any importance.

Q. At what rate was this Union Pacific Railroad stock divided among the stockholders of the Credit Mobilier after this dividend that you spoke of awhile ago?—A. I think that the stock dividends under the Oakes Ames contract were made at a much higher rate, some of them at par; but I am not able to speak of that because it is a long time ago. There is a paper in existence which gives all that information. I speak of the document that sets forth the dividend, and of which this printed pamphlet is a copy.

By Mr. SHELLABARGER:

Q. To whom was the stock of the Union Pacific Railroad Company issued, which was divided among the stockholders of the Credit Mobilier?—A. Mine was issued directly to myself.

Q. By whom?—A. By the secretary of the Union Pacific Railroad Company, Mr. Ham. I think he was acting as secretary at that time.

Q. How was it with that stock which was divided among other stockholders of the Credit Mobilier as dividends—to whom was that stock issued?—A. I do not know.

Q. How did you pay in your assessments on the capital stock of the Union Pacific Railroad Company, that was issued to you in your own name?—A. That which was received in the way of dividends I did not pay anything for, but that which I held outside of dividends I bought in the open market. I do not know how that was paid for.

Q. Do you recollect to whom that which you bought in open market was issued?—A. No, sir; I do not.

Q. You got that which you received as dividend at 30 per cent. of its par value?—A. Yes.

Q. And you paid for it, simply as a payment of your proportion of the dividends of the Credit Mobilier?—A. Yes, sir.

Q. And in no other way?—A. In no other way.

Q. Do you recollect as a matter of fact how much of the Union Pa- Railroad stock you got at all, in that way?—A. No, sir; I do not.

Q. Can you approximate the amount by memory?—A. No, sir; but the information is in existence in tabulated form.

By the CHAIRMAN:

Q. How many shares of Union Pacific Railroad stock did you receive on your forty shares of Credit Mobilier pursuant to that resolution?—A. I think I received fourteen shares, and scrip for four-tenths of a share, in all amounting to $1,440.

Q. Under the circular of January 2, 1867, which you have furnished, did you receive money or stock in dividend?—A. It was paid in money.

By Mr. PERRY:

Q. I have here a pamphlet in reference to this Credit Mobilier; do you know who published it?—A. I think it was published by Duff Green, or by his son Benjamin.

Q. Have you seen it before?—A. I never saw it before.

Q. From this pamphlet it appears that the act originally incorpo-

rating the Pennsylvania Fiscal Agency bears no date?—A. The original act was approved on the 1st of November, 1859.

Q. That approval by Governor Packer was after Duff Green had made his journey to Mexico?—A. I think it was. That approval was delayed for a considerable length of time after the act was passed.

Q. He says here, on page 2, that the documents which he brought back from Europe (referring to Duff Green) satisfied Governor Packer, who signed the charter on the 1st of November, 1859, and the company was organized 5th November, 1859. Are you aware what these documents were that he brought back?—A. Yes; I saw them.

Q. Do you know what became of them?—A. They were in the possession of William G. Moorhead, of Pennsylvania. I think that Governor Packer saw them.

Q. Do you know where they are now?—A. No, sir; I do not.

Q. This pamphlet, then, purports to set forth the proceedings of a meeting held somewhere on the 5th of November, 1859; do you know where that was?—A. I do not recollect. I think it was at some place in Philadelphia.

Q. You are the Oliver W. Barnes whose name is mentioned here?—A. Yes.

Q. Was it at that meeting that you were appointed secretary?—A. That was an attempt at organization by Duff Green, which failed in consequence of his not paying up the first installment as the charter required.

Q. It was at that first meeting that you were elected secretary?—A. Yes, sir.

Q. This meeting adjourned to meet at 11 a. m. on Monday, November 7. Then follows the subscription paper, (page 11:)

"Duff Green, five thousand shares; Oliver W. Barnes, for self and associates, two thousand shares; David R. Porter, for self and associates, five hundred shares; Samuel R. Brooks, for myself and associates, five thousand shares; William Halsted, five hundred shares; Duff Green, thirty-seven thousand shares."

If I understood your answer to me correctly, there was no five per cent. paid on any of these subscriptions?—A. No, sir; not at that time. At that attempted organization nothing was paid in on the stock.

Q. Here is a certificate, (page 11:)

"Whereas the undersigned, being a majority of the persons named in the act entitled 'An act to incorporate the Pennsylvania Fiscal Agency,' as commissioners to open books of subscription to the capital stock of the company, did, on the 5th day of November, 1859, open books of subscription in the city of Philadelphia, and thereupon Duff Green subscribed for five thousand shares; Oliver W. Barnes, for self and associates, two thousand shares; David R. Porter, for self and associates, five hundred shares; Samuel R. Brooks, for myself and associates, five thousand shares; William Halsted, five hundred shares; and Duff Green, thirty-seven thousand shares; and Duff Green having paid to William Halsted, the person by us appointed as treasurer, with authority to receive the same, the sum of twenty-five thousand dollars, being the sum of five per centum on his subscription of five thousand shares; we hereby certify that the said Duff Green; Oliver W. Barnes, for self and associates; David R. Porter, for self and associates; Samuel R. Brooks, for myself and associates; William Halsted, and Duff Green, have subscribed for the number of shares of the capital stock, as above stated, in the Pennsylvania Fiscal Agency, and that Duff Green having

paid the sum of five per cent. on five thousand shares, the said shareholders are authorized to elect five or more directors, and that the books of subscription are closed.

"DUFF GREEN.
"CHAS. M. HALL,
"By DUFF GREEN, his proxy.
"DAVID R. PORTER.
"ASA PACKER,
"By DAVID R. PORTER, his proxy.
"WILLIAM T. DOUGHERTY,
"By DAVID R. PORTER, his proxy.
"ISAAC HUGHES,
"By DAVID R. PORTER, his proxy.
"OLIVER W. BARNES,
"For C. L. WARD, by proxy.
"J. ZIEGLER.
"HENRY M. FULLER.
"J. B. LIPPINCOTT,
"For C. M. REID, by proxy."

Your name does not appear to be attached to that certificate in your own right?—A. Yes.

Q. If I understood you, you could not have signed that in your own right, certifying payment, because no payment had been made.—A. Yes, but we were deceived. We supposed that the payment was a good one, but it was not. The check which Duff Green gave at that time proved to be without foundation.

Q. How soon after that did you ascertain that the check was not good?—A. A long time afterward.

Q. Do you know whether that percentage was paid over to the governor of Pennsylvania on the first installment?—A. No, sir, not at that time. There was no payment made to the governor for some time after that.

Q. Was there any payment made to the governor before the second organization in 1863?—A. No, sir.

Q. Was there any other meeting of that corporation held before its re-organization in 1863?—A. I think there was another call issued, and adjourned meetings held from time to time.

Q. Then this book purported to be the record which you kept?—A. Yes, that is the book kept by me.

Q. The first entry here is of a meeting of stockholders of the Pennsylvania Fiscal Agency, held at the office of Oliver W. Barnes, in Philadelphia, on the 29th May, 1863, for the purpose of selecting six directors?—A. Yes. That does not contain the minutes of the organization. The organization of course preceded the election of the directors. That book is in the custody of the company somewhere, I do not know where.

Q. Are you positive that there was any meeting of the stockholders or directors after the time of this meeting of November 7, 1859, before this meeting of May 29, 1863?—A. Yes; there were meetings of the corporators, and there were directors elected.

Q. Have you any records of those meetings?—A. There were records of them; I do not know where they are at present. They were deposited in the New York office at the same time that the other books were brought there.

Q. When was the first meeting held after the 7th November, 1859?—

A. That I cannot answer without the books. It was some time afterward, at least two years.

Q. Do you recollect who were present at the meeting?—A. No; I do not.

Q. When was the next meeting after that one which you think took place at least two years after the meeting of November, 1859?—A. I do not recollect.

Q. Was there another meeting down to the time of the meeting just preceding this for the purpose of organization?—A. I think there was a meeting, not just preceding it, but probably a year before these minutes were written.

Q. That would bring it to 1861.—A. I think it was probably in 1861 or 1862, after the war broke out.

Q. Were the proceedings of that meeting kept in a book like this?—A. I think they were kept in a separate book. It was a meeting of the commissioners. There were one or two meetings after the organization of the company. Duff Green brought a suit against the company after that for the charter-privileges. The whole of this subject has been adjudicated in Pennsylvania, and it was decided that Duff Green had not effected any organization at that time, and that the organization made subsequent to that was not a real organization. The question has already been adjudicated and disposed of.

Q. Did the case go to the supreme court of Pennsylvania?—A. I do not know that it went to the supreme court. At all events it has not been pressed since the decision was made.

Q. I have here in this pamphlet a paper marked "number 10," of May 29, 1863, which I will read to you:

"Certificate of proceedings at second subscription, made 29th May, 1863.

"We, the undersigned, a majority of the commissioners authorized by an act entitled 'An act to incorporate the Pennsylvania Fiscal Agency,' approved the 1st day of November, A. D. 1859, do certify that at a meeting of said commissioners, held in Philadelphia, on the 29th day of May, A. D. 1863, books of subscription were opened, and Charles M. Hall was appointed treasurer, and the following subscriptions of stock were made, and the first installment of 5 per cent. upon 5,015 shares, amounting to $25,075, actually paid in, in cash, to wit: Samuel T. Billmeyer, Germantown, 4 shares; Oliver W. Barnes, Philadelphia, 2,496 shares; Charles M. Hall, Philadelphia, 2,495 shares; R. Reed Myer, Philadelphia, 5 shares; Duane Williams, Philadelphia, 3 shares; Charles Williams, Philadelphia, 3 shares; Samuel L. Clemens, Philadelphia, 3 shares; David R. Porter, Harrisburgh, Pennsylvania, 320 shares."

I see that you are a subscriber here for 2,496 shares?—A. Yes.

Q. You paid in the 5 per cent. on those shares?—A. Yes, sir.

Q. Inferentially you had just abandoned the old organization as a nullity?—A. Yes.

Q. And the same commissioners that were named in the act opened book of subscription again?—A. They were convened by notice; a notice was mailed to all the commissioners, and they were convened in Philadelphia a second time.

Q. And opened books for subscription again, as if there had been nothing done before?—A. Yes; they treated the other as a nullity.

Q. Was that before or after you had sold the control of your charter to Mr. Durant and others?—A. It was before that.

Q. Had there been any negotiations at that time?—A. No, sir; Mr. Durant had not heard of it at that time.

Q. You spoke of a meeting prior to the 29th May, 1863, which is the day when these subscriptions were made. That must have been a meeting of the old corporators?—A. No, sir; that is the meeting that I alluded to. I thought it was longer anterior to that, but I see it was on the same date.

Q. Then there would have been, so far as you recollect, but the one meeting from the meeting of the 7th November, 1859, about two years after that?—A. The commissioners frequently met at my office and talked this matter over, but no formal meeting was held until that meeting.

Q. There was no call of stockholders?—A. No, sir.

Q. Was that meeting which took place about two years after November, 1859, a formal one?—A. No; it was simply a talking of the thing over.

Q. Do you recollect how many commissioners were present?—A. I do not recollect, but I suppose there were five or six, perhaps.

Q. But there were no formal proceedings, and nothing was recorded?—A. No, sir.

Q. Then if you could get the books from New York, they would show nothing as transpiring in the company from the time of the original meeting, in 1859, down to this one?—A. No, sir; they would show nothing.

Q. Do you recollect, or does your book show anywhere, how many of the original corporators were present at the meeting at which this reorganization took place?—A. No, sir; I do not know of any records, except this, that would show it.

Q. Then, if I understand you correctly, we get here a connected account of all the official meetings of the stockholders?—A. Yes.

Q. About how long after this meeting of 29th May, 1863, was the negotiation made with Mr. Durant?—A. Mr. Durant's purchase of the control was made the 3d March, 1864.

Q. How long before the actual purchase was the negotiation commenced?—A. One day before; that was the first we ever heard of Mr. Durant.

Q. The transfer, I suppose, consisted in the transfer of the controlling interest in the stock?—A. It was a transfer of the original subscriptions. They paid us back our investments, and we gave them an assignment of the stock. We assigned the whole of it over to them, and then we bought some back.

Q. Did you buy it back at that time?—A. Yes; I think so. The transaction was all made that one day.

Q. How many shares did you buy back?—A. Forty.

Q. You were re-elected in the new organization secretary of the new company?—A. Yes, sir.

Q. And you continued as secretary down to what time?—A. Down to May 21, 1870.

Q. If I understood your answer to Mr. Hoar, all the business meetings of the company, after this sale to Mr. Durant, were conducted in New York?—A. Yes, sir.

Q. And all the records of those business meetings which appear on this Pennsylvania record were sent to you from New York?—A. Yes, sir; that book was taken over to New York on some occasions.

Q. Every business meeting of the company for the transaction of business, after your sale, was held in New York?—A. Yes, sir.

Q. And whatever the records show, whether they show where the meeting was held or not, it was held in fact in New York?—A. Yes.

Q. But you kept up the organization in Philadelphia?—A. Yes; the corporate existence was kept up in Pennsylvania.

Q. How was that done?—A. By a majority of the board of directors being Pennsylvania gentlemen. Every election of directors, as you will see by the books, was held in Philadelphia.

Q. At those meetings they simply elected the officers?—A. That was all. The executive committee was also elected at those meetings.

Q. Then that was the only quality of meetings which was held in Pennsylvania from the time you sold?—A. Yes.

Q. There was another kind of committee appointed; what did they call it?—A. A railway bureau.

Q. Was that different from the executive committee?—A. Yes.

Q. That was not elected in Pennsylvania?—A. No, sir; that railway bureau was selected by the executive committee.

Q. Does your book show what the duties of that railway bureau were?—A. No, sir.

Q. Explain to us about the purport and scope of the duties of that railway bureau.—A. I cannot tell very well. It had charge more particularly of the construction of the Union Pacific Railroad; the purchase of materials; the transportation of the materials to the road; the auditing of payments, and matters of that kind.

Q. That bureau was made up in part of stockholders of the Credit Mobilier and in part of the stockholders of the Union Pacific Railroad?—A. Yes, sir.

Q. It was not exclusive to either?—A. No, sir.

Q. Now, in point of fact, do you not understand that the duties of that bureau substantially covered all that was done by that railway company?—A. Yes.

Q. Do you know whether there were any books in which these proceedings were kept?—A. There was a book in which these proceedings were kept.

Q. Do you know where it is?—A. I do not. It was kept by the secretary, J. M. S. Williams, of Boston. It was kept in New York. It was a book very much like this one, (indicating.)

Q. When did you see it last?—A. Several years ago; about the time of the Fisk suits in New York.

Q. Where was it?—A. It was in the office of the company of New York at that time.

Q. Then if I get a correct idea from your testimony, the officers of the company were elected—that is, the ordinary nominal officers of the company—in Pennsylvania, including the executive committee?—A. Yes.

Q. And that executive committee elected the railway bureau?—A. Yes, sir.

Q. And that railway bureau had charge substantially of all the business of the company?—A. All the detailed business of the company. The executive committee had charge of the larger fiscal transactions, and the railway bureau had charge of the construction of the road, payments, &c.

Q. But there was absolutely nothing done in Pennsylvania at the meetings of the stockholders there that really controlled the operations of the company?—A. No, sir.

Q. And the stockholders were in no other way consulted than as they occasionally voted for the officers in Philadelphia?—A. Yes, whenever

any meetings took place in Philadelphia there were always enough New York gentlemen to give direction to the proceedings that were taken. Nothing was done except at their request.

Q. The corporation then was a sort of shell, under which this bureau operated?—A. Not exactly a shell. We had a majority of the board in Pennsylvania at all times, but we delegated our powers to the New York agency.

Q. And the transactions were actually made by the New York agency?—A. Yes. Nevertheless we had a majority of the directors in Pennsylvania, and could have transacted it there if we had chosen to do so.

Q. But in point of fact that majority of directors delegated their powers to the agency in New York?—A. Yes, sir.

Q. That agency consisted of the executive committee?—A. Yes, sir.

Q. And through that executive committee of this railway bureau?—A. Yes, sir.

Q. The books of the company proper kept by you, as the secretary, scarcely show any of the transactions of the company.—A. They merely maintain the corporate existence of the company.

By Mr. SHELLABARGER:

Q. What was the average amount of stock subscribed to the Pennsylvania Fiscal Agency prior to the sale to Mr. Durant?—A. Five thousand three hundred and fifteen shares.

Q. On that there was paid in, prior to the sale to Mr. Durant, 2½ per cent.?—A. Either 2½ or 5 per cent., whichever the law required. I do not recollect now. I think it was 5 per cent.

Q. Are you still a stockholder of the Credit Mobilier?—A. Yes.

Q. Have you stated the whole amount of the dividends which you have received on that stock?—A. No, sir; I have not.

Q. Can you do so now?—A. I cannot. The lists that are in evidence show it.

By the CHAIRMAN:

Q. State whether any member of Congress has at any time been employed as attorney of the Credit Mobilier.—A. I know that there has not been any member of Congress employed as attorney for the Credit Mobilier.

Q. Do you know whether there has been any member of Congress employed as attorney for the Union Pacific Railroad Company?—A. I do not know of any member of Congress having been employed as attorney for the Union Pacific Railroad Company.

Q. Do you know of any sum or sums of money that have been paid, by the Union Pacific Railroad Company or Credit Mobilier, or by any person in connection with either, to any member of Congress for any purpose whatever?—A. There has been no money paid by the Credit Mobilier to any member of Congress, to my knowledge.

Q. Has there been by the Union Pacific Railroad Company?—A. Not to my knowledge.

Q. Have there been any sums of money paid to any members of Congress, by any person connected with the Credit Mobilier or Union Pacific Railroad Company for such purpose, of which you have any knowledge, either as stockholder or officer?—A. I do not know of any money having been paid by the Credit Mobilier to any member of Congress, except to Mr. Brooks, for interest on temporary loans. I understand that he loaned the company, at various times, money, and that he was paid interest on that money.

Q. What sums of money had Mr. Brooks loaned to the Credit Mob lier?—A. I do not know. Mr. Ham had charge of the books.

Q. Do you know the rate of interest that was paid to him?—A. I do no

Q. Do you know of any individual connected with the Credit Mob lier paying any sum of money to any member of Congress?—A. No, si

Q. Or connected with the Union Pacific Railroad Company?—A. N sir.

Q. Do you know of any sum of money having been used by either these corporations, or by any person connected with either of these co porations, to influence any election of any member of Congress or of th Senate of the United States?—A. No, sir.

Q. Have you ever heard that anything of that sort had been done?- A. I never heard of money being used for any such purpose.

Q. Do you know of any sum or sums having been used for the purpo of procuring either the acceptance of the road by the Government the issuing of bonds by the Government, or for anything else in co nection with the executive department of the Government?—A. I nev knew of any such payment. I never heard of it.

Q. Either by the corporations or by any person connected wi them?—A. I never heard of it.

Q. Do you know anything of money being paid over by the Cred Mobilier to agents to be used?—A. No, sir; I do not.

Q. Do you know of any agents being employed by the Credit Mob lier with reference to matters appertaining to either of these companie —A. No, sir.

Q. You never were an officer of the Union Pacific Railroad Company? A. No, sir.

Q. And you know nothing of the details of the business?—A. E cept as a stockholder and by hearsay.

Q. Do you know anything of the employment of Joseph B. Stew in connection with the affairs of that corporation?—A. Only from he say.

Q. From whom did you hear anything on that subject?—A. From Durant.

Q. And what information did Mr. Durant give you in relation him?—A. He told me that he had employed him to settle with perso who were interested in other lines of railroad, particularly the Leav worth and Pawnee.

Q. How long is it since he gave you that information?—A. Five six years ago.

Q. Did he tell you about having employed a man named Hay?— He told me he had employed several persons; I do not recollect th names nor much about the details.

Q. Did he tell you the amount of money handled by those persons? A. No, sir.

Q. How happened he to tell you about these men?—A. It was i general conversation.

Q. Was there at that time a controversy in reference to the suspend account in the affairs of the Union Pacific Railroad Company?—A. I at that particular time. There had been a discussion about it bef that time.

Q. Was it that suspended account which gave rise to this conve tion?—A. No, sir; it was just a casual conversation. It had noth to do with that suspended account.

Q. Have you any knowledge or information in reference to any mo being paid to Senator Harlan?—A. No, sir.

Q. Have you any knowledge or information of any being paid to Mr. Harlan while he was Secretary of the Interior?—A. No, sir.

Q. Do you know of any money having being paid, directly or indirectly, to any commissioners with reference to the Union Pacific Railroad?—A. No, sir; I do not.

Q. Did you ever hear of it?—A. I never heard of money being paid.

Q. Did you ever hear it rumored about that money had been paid?—A. No, sir; I never did.

Q. Do you know Mr. Hoxie, who had a contract?—A. No, sir.

Q. Do you know where he lives?—A. I do not know where he lives at present.

Q. Do you recollect his having a contract with the Union Pacific Railroad Company?—A. Yes.

Q. Do you know where he lived at that time?—A. In Omaha, I believe.

Q. Was he reputed to be a man of means?—A. I think he was.

By Mr. SHELLABARGER:

Q. Do you know anything about some stock being put into Mr. Ames's hands for the purpose of distribution or to enable him to comply with existing engagements?—A. I only know by hearing it spoken of in the office.

Q. You know nothing about the details?—A. I know nothing about the details.

Q. You cannot tell where he was to place it?—A. No, sir.

Q. State precisely what you heard spoken of on the subject and by whom?—A. I think I heard Mr. McComb speak of it and Mr. Crane. He said that Mr. Ames had received a certain amount of stock of the Credit Mobilier, in trust, to deliver to certain parties, to whom he had agreed to furnish it.

Q. What was that certain amount?—A. Something over three hundred shares, I think.

Q. What was the date of that statement?—A. I cannot remember the date from recollection.

Q. Was it before or after he had distributed it?—A. I do not know anything about his having distributed it at all.

Q. Was it before or after it was put into his hands in that trust?—A. It was after that.

Q. How long after?—A. Probably within a year after. I do not recollect the dates.

Q. Was it before or after the controversy?—A. It was about the time of the controversy over the stock. Mr. McComb claimed it, and Mr. Ames refused to give it to him, I believe.

Q. What was the ground of Mr. McComb's claim?—A. He claimed to have subscribed and paid for it.

Q. By whom was that stock put into Mr. Ames's hands?—A. Tha I do not know.

Q. Was it by act of the corporation?—A. No, sir; not by any action which came under my observation.

Q. Was it by act of the seven trustees?—A. It may have been done by the officers of the Credit Mobilier in the city of New York.

Q. Did Mr. Ames in that controversy between him and McComb claim that he had distributed all of it according to prior engagements?—A. It was stated that he had not distributed any of it. I understood the statement to be that none of it had been distributed, and Mr. McComb desired it to be returned.

Q. But did Mr. Ames claim that he had, in fact, distributed it as he was bound to do?—A. I never heard Mr. Ames make any such statement.

Q. Was it stated who was entitled to that distribution from Mr. Ames?—A. No, sir.

Q. You can give us no information on that subject?—A. No, sir. I know nothing about it.

By the CHAIRMAN:

Q. Are you connected, in any way, with the Wyoming Coal Company?—A. No, sir.

By Mr. HOAR:

Q. State whether you have any knowledge of the Credit Mobilier or any of its stockholders or trustees being connected with the construction of any other railroad, except the Union Pacific Railroad, in which the Government has an interest.—A. I know of no such connection with any railroad in which the Government has an interest.

Q. Or any railroad to which the Government has made grants or given aid?—A. No, sir.

Q. Or given aid in any form?—A. No, sir.

Q. Do you know of their being connected with the construction of any railroad at all? (I will not qualify the question.)—A. I think that several of the gentlemen are interested in other railroads.

Q. Be good enough to state the names of all the railroads in which, so far as you know, any of these gentlemen have had an interest in the construction.—A. I cannot do that. My remark is only general.

Q. Have you yourself any such interest?—A. O, yes. I have been engaged in several other railroads since that time.

Q. What other railroads have you been concerned in the construction of?—A. I am a civil engineer by profession, and I have been engaged in several other railroads.

By the CHAIRMAN:

Q. Were you employed as engineer on the Union Pacific Railroad?—A. No, sir.

Q. State whether the Credit Mobilier had any other source of revenue, or whether it derived any stock, bonds, or money from any other source, except the construction of the Union Pacific Railroad.—A. No, sir. It has transacted no other business except the construction of the Union Pacific Railroad.

Q. All its resources were derived from that and from its capital stock?—A. Yes, sir; there was a contract existing among the principal stockholders that it should not engage in any other business.

Q. Do you know where that contract is?—A. Here it is. (Producing it.)

By Mr. PERRY:

Q. Were you personally cognizant of the proxies given by the stockholders of the Union Pacific Railroad Company to the managers of the Credit Mobilier?—A. I gave my own; I do not know of any others. I know that the proxies were given, but I do not recollect much about the details of the matter. They were given to the executive committee. They were permanent proxies.

By the CHAIRMAN:

Q. Where are the books of this railway bureau to be found now?—A. They should be in the custody of Mr. J. M. S. Williams, of Boston.

He was secretary to the railway bureau. I think it was a general corporation, composed partly of Credit Mobilier stockholders and partly of Union Pacific Railroad stockholders.

By Mr. PERRY:

Q. By these proxies given to the executive committee of the Credit Mobilier, that executive committee operating without action of the directors, through the railway bureau, dictated the whole business of the two companies?—A. Yes; the powers were delegated in that way.

By Mr. SHELLABARGER:

Q. In what form were those powers delegated?—A. By resolution of the stockholders of the Credit Mobilier. I am not able to say how the powers of the Union Pacific Railroad Company were delegated, but the powers of the Credit Mobilier were delegated at each annual meeting by the stockholders passing a resolution forming the executive committee.

Q. State whether the stock in the Union Pacific Railroad Company which was divided to the other stockholders of the Credit Mobilier as dividends was similar to that which was issued to you; in this, that it was issued in their own names?—A. Yes, sir; it was issued in the same way.

Q. Do you know whether the other divisions of stock which were made to the stockholders of the Credit Mobilier were made at the same rate per cent., or that they varied? Thirty per cent. was the rate about which you testified.—A. No; the rates were different at different times.

Q. Whatever the value was in the market at the time of the divisions?—A. Yes, sir; or what was supposed to be the market value of stock at the time the divisions were made.

Q. Then each of the divisions of the stock of the Union Pacific Railroad Company that were made by the Credit Mobilier to its stockholders was made by issuing stock to them in their own names?—A. Yes, sir.

Q. And the payment for that stock was made in the same way as you have testified, by being a credit on their shares in the Credit Mobilier?—A. The certificates were made out in advance. We signed the receipts, and the certificates were delivered to us.

Q. And that was the only payment ever made upon the stock that was divided to the members of the Credit Mobilier?—A. I believe so. The stock had been acquired by the Credit Mobilier in its corporate capacity, and then divided.

Q. But when it was issued it was issued in the names of the persons who got the dividends?—A. I think so.

By the CHAIRMAN:

Q. Were the offices of the two corporations held in the same place?—A. The agency of the Credit Mobilier was in the adjoining room to the offices of the Union Pacific Railroad Company, at 20 Nassau street, New York. They were connecting rooms.

Q. When the Credit Mobilier, or the trustees of the stockholders of the Credit Mobilier, declared a dividend in Union Pacific Railroad stock, the Union Pacific Railroad Company issued certificates directed to their shareholders?—A. That I am not able to say. There may have been an intermediate certificate issued in gross to the Credit Mobilier, and that may have been subdivided by the officers of the Union Pacific Railroad Company to meet these dividend payments. But whether there was an actual delivery of the stock in gross for the whole amount to the Credit Mobilier, I am not able to state.

By Mr. SHELLABARGER:

Q. If there was such an issuance in gross, that must have been taken up and consolidated, and new issues made to the individual stockholders who became entitled to the dividend?—A. That would have been the correct and usual mode of doing it—to subdivide the certificate and surrender the gross one.

The following are the papers referred to by the witness in his testimony:

CREDIT MOBILIER OF AMERICA, NEW YORK AGENCY,
20 *Nassau street, January* 2, 1867.

——— ———, Esq.

DEAR SIR: At a meeting of the executive committee of the board of directors of this company, held at this agency, on the 28th day of December last, the following resolutions were adopted, viz:

Resolved, That in order to equalize the date of payment to increase stock subscriptions made under agreement of February 29, 1867, interest be allowed to each subscriber from the date of payment to July 1, 1867, at the rate of 14½ per cent. per annum, and interest on the amount so allowed each subscriber, from July 1, 1867, to January 1, 1868, at the rate of 7 per cent. per annum; and the secretary and treasurer be instructed to make statement of, and pay to each subscriber, the amount under this resolution.

Resolved, That a dividend of 6 per cent. per annum be, and is hereby, declared for each of the years ending the 1st day of November, 1866 and 1867, payable in stock of the Union Pacific Railroad Company, at 30 per cent. of its par value, to the registered stockholders of this day.

In conformity with the above resolutions, interest and dividend statements have been prepared, and will be paid on application to the undersigned.

Respectfully,

BENJAMIN F. HAM,
Assistant Secretary and Treasurer.

Report of the treasurer to the stockholders of the Credit Mobilier of America.

The treasurer begs leave to report that since the last annual meeting at Philadelphia the company have been vigorously prosecuting the construction of the Union Pacific Railroad under contract, and have expended up to the present time, as shown by the books of the company, about $3,500,000; have completed some seventy miles of road, with some one hundred and fifty miles ready for superstructure, and have a large lot of material and supplies on hand. On 3d March last, by resolution of the board of directors, with the approval of the stockholders, the capital stock of the company was increased to $2,500,000, the whole amount being subscribed for and nearly all paid in.

The total receipts up to this date were—

Capital stock	$2,365,915
Union Pacific Railroad Company	2,633,162
Sundry accounts	125,361
Total	5,124,438

The total disbursements

Construction contract	$3,433,574 03	
Stock Union Pacific Railroad Company	515,410 00	
Scrip Union Pacific Railroad Company	848,172 50	
Interest account	185,754 33	
Sundry account	141,527 91	
		5,124,438

For any details of the business affairs of the company, the treasurer respectfully refers to the books at its agency in the city of New York.

H. C. CRANE,
Assistant Treasurer Credit Mobilier of America.

MAY 1, 1866.

Accepted, approved, and ordered to be filed among papers of the company.

O. W. BARNES,
Secretary.

List of stockholders of Credit Mobilier, May 18, 1866.

	Shares.
Charles M. Hall	5
Oliver W. Barnes	40
Thomas C. Durant	6,041
George Francis Train	125
L. E. French	20
John Duff	1,250
Charles A. Lambard	1,250
Sidney Dillon	625
W. T. Glidden	625
J. M. S. Williams	625
Williams & Guion	250
H. W. Gray	25
R. G. Hazard	1,250
O. S. Chapman	312
D. R. Porter	10
Oliver Ames	3,125
C. S. Bushnell	750
W. H. Macy	250
J. H. Scranton	5
G. G. Gray	1,267
Joseph Nickerson	250
Benjamin Holladay	500
Benjamin E. Bates	600
Frederick Nickerson	250
John B. Alley	500
J. P. Hazard	250
W. D. Forbes	100
Samuel Hooper & Co	500
Horatio Gilbert	125
H. J. Gilbert	87
C. H. McCormick	625
David Jones	250
Oakes Ames	900
Elisha Atkins	312
Ezra H. Baker	313
H. S. McComb	500
Paul Pohl, jr	6
James W. Grimes	250
Thomas Nickerson	100
E. Reed Myer	20
George Opdyke	462
J. Bardwell	250
Total	25,000

I hereby certify that above list comprises the stockholders of this company as shown by the books of the New York agency.

BENJ. F. BUNKER,
Assistant Secretary.

NEW YORK, *May*, 1866.

Stock-list of the Credit Mobilier of America, May 17, 1867.

	Shares.
Andrews, Frank W	100
Atkins, Elisha	625
Alley, John B	500
Ames, Oliver	4,685
Ames, Oakes	1,330
Barnes, Oliver W	10
Bates, Benjamin E	500
Baker, Ezra H	475
Bardwell, J	480
Bushnell, C. S	910
Bowman, A. H	150
Bristol, W. B	50
Beard, Sylvester M	100
Beard, Eli	100
Bradford, G	100
Chapman, O. S	320
Cummings, W. A	100
Crane, H. C	90
Day, W. F., cashier in trust	100
Dana, Samuel T	100
Dillon, Sidney	945
Durant, Thos. C	5,550
Duff, John Robertson	1,180
French, L. E	20
French, Charles H	100
Fessenden, Sewall H	50
Foster, Pierpont B	50
Glidden, W. T	625
Gray, H. W	20
Gray, G. G	1,280
Gilbert, Horatio	180
Gilbert, H. J	150
Grimes, James W	300
Gilmore, E. W	150
Hall, Charles M	10
Hazard, R. G	1,610
Hazard, I. P	330
Hazard, Elizabeth	30
Hazard, Elizabeth, trustee	10
Hazard, Anna	20
Hazard, Mary P	10
Hazard, Rowland	570
Holladay, Ben	500
Hooper, Samuel & Co	750
Horner, Anna	10
Hotchkiss, Henry	150
Jenks, Barton H	500
Jones, David	250

	Shares.
King, John L	80
Lambard, Charles A	1,400
Low, A. A	100
Lockwood, Le Grand	500
Macy, W. H	375
McCormick, C. H	945
McComb, H. S	750
Myer, E. Reed	20
Nickerson, Jos	380
Nickerson, Frederick	250
Nickerson, Thomas	150
Opdyke, George	712
Pohl, Paul, jr	6
Pigot, J. B	200
Peck, Nathan	100
Robbins, Royal E	200
Scranton, J. H	5
Stewart, Benedict D	5
Sanford, Harvey	125
Train, George Francis	115
Trowbridge, Henry	75
Trowbridge, Ezekiel H	50
Torrey, Lydia	11
Vernon, Sophia	1
Williams, J. M. S	620
Williams & Guion	380
Waite, C. C	50
Total	34,482

Thirty-four thousand four hundred and eighty-two shares.

The above is a true and correct stock-list as shown by the books of this company at this office.

BENJ. F. BUNKER,
Assistant Secretary.

NEW YORK, *May* 17, 1867.

Memorandum: Oliver Ames, this 18th day of May, 1867, previous to the election of directors, transferred to Robert G. S. McNeille, of Philadelphia, five shares of the capital stock of the Credit Mobilier of America.

OLIVER W. BARNES,
Secretary.

List of stockholders of the Credit Mobilier of America, May 16, 1868.

	Shares.
Alley, John B	290
Ames, Oakes	1,955
Ames, Oliver	4,680
Ames, Oakes, trustee	343
Andrews, Frank W	100
Atkins, Elisha	622
Baker, Ezra H	623
Baker, Ezra H., jr	50

	Shares.
Bardwell, Josiah	7
Bardwell, Josiah, trustee	3
Barnes, Oliver W	1
Bates, Benjamin E	5
Beard, Sylvester M	1
Beard, Eli	1
Blood, Henry	
Boyer, B. M	7
Bradford, Gamaliel	1
Bristol, William B	
Bushnell, Cornelius J	5
Chapman, Oliver J	41
Charlick, Oliver	
Crane, Henry C	1
Crane, Henry C., trustee	1
Cummings, William A	1
Davies, John M	5
Dillon, Sidney	1,0
Dodge, Anna M	1
Duff, John R	1,8
Durant, Thomas C	5,0
Fessenden, Sewall H	
Foster, Pierpont B	
French, L. Eugene	
Gardner, John, trustee	
Gilbert, Horatio	1
Gilbert, Horatio J	1
Gilmon, E. W	1
Glidden, William T	
Gray, G. Griswold	1,3
Grimes, James W	3
Hazard, Rowland G	1,6
Hazard, Isaac P	3
Hazard, Rowland	3
Hazard, Elizabeth	
Hazard, Elizabeth, trustee	1
Hazard, Anna	
Hazard, Mary P	
Hedden, Josiah	1
Hobart, Aaron, jr	
Holladay, Benjamin	7
Hooper, Samuel & Co	7
Horner, Anna	
Hotchkiss, Henry	1
Johnston, James B	2
Jones, David	3
King, John L	
Lambard, Charles A	1
Lockwood, Le Grand	5
Low, Abiel A	1
Macy, William H	3
McComb, Henry J	1,2
McCormick, Cyrus H	9
McNeil, Robert G. J	
Moore, E. C	
Neilson, Charles H	1

	Shares.
Nickerson, Frederick	250
Nickerson, Joseph	380
Nickerson, Thomas	150
Opdyke, George	712
Peck, Nathan	100
Pigot, James B	150
Pohl, Paul, jr,	6
Richardson, Joseph	50
Robbins, Henry A	100
Robbins, Royal E	300
Sanford, Harvey	125
Scranton, Joseph H	5
Skinner, F., & Co	250
Skinner, F., & Co., trustees	250
Smith, J. N	405
Stetson, Thomas M	30
Stevens, W. B., trustee	50
Stewart, Benedict D	5
Thacher, Isaac	92
Torrey, Lydia	11
Train, Willie Davis	175
Trowbridge, Ezekiel H	50
Trowbridge, Henry	75
Vernon, Sophia	1
Waite, C. C	80
Williams, John M. S	620
Zborowski, Martin	100
Total	37,500
Amount	$3,750,000

I certify that the foregoing is a correct list of stockholders, as shown by the books of the company, at the close of business, May 15, 1868.

BENJAMIN F. HAM,
Assistant Secretary Credit Mobilier of America.

Subscription list to the Credit Mobilier.

[Five-cent stamp.]

We, the undersigned, do hereby subscribe to the number of shares set opposite our respective names in the capital stock of the Credit Mobilier of America, a corporation duly incorporated by an act of the legislature of the State of Pennsylvania, under the title of "The Pennsylvania Fiscal Agency," the 1st day of November, 1859—said title being changed by the legislature aforesaid, March 20, 1864, to that of "The Credit Mobilier of America"—on the following conditions:

That there be delegated the full powers of the board of directors to the New York agency;

That a railway bureau shall be established at said agency, to consist of a board of five managers; three of them must be directors of the company, who shall have the management of the railway contracts for which this company may be the agent, which shall be subject to the approval of the president of the company;

And the subscribing hereto of an amount that shall make the capital

stock one million six hundred thousand dollars, and not to exceed two millions of dollars without the consent of the holders of three-fourths of the stock issued by said company.

And also, on the further condition that no business shall be done by said company except that pertaining to the construction, as agent or attorney, or by lawful authority of the Union Pacific Railroad Company, without the consent of three-fourths as aforesaid in amount of the stock.

March 15, 1865.

THOMAS C. DURANT,
including former subscriptions, six thousand shares.
C. S. BUSHNELL, two thousand shares.
CHARLES A. LAMBARD, one thousand shares.
JOHN DUFF, one thousand shares.
G. G. GRAY, by H. W. G., two thousand shares.
SIDNEY DILLON, five hundred shares.
W. T. GLIDDEN, by C. A. L., five hundred shares.
JOHN M. S. WILLIAMS, by C. A. L., five hundred shares.
BEN. HOLLADAY, five hundred shares.

It is hereby agreed by the subscribers hereto that the railway bureau shall consist of seven members, instead of five as first named.

THOMAS C. DURANT.
JOHN M. S. WILLIAMS.
W. T. GLIDDEN.
OLIVER AMES, one thousand shares.
JOHN DUFF.
F. NICKERSON, two hundred and fifty shares.
C. A. LAMBARD.
JAS. NICKERSON, two hundred and fifty shares.
OLIVER AMES, five hundred shares.
WM. D. FORBES, one hundred shares.
OLIVER AMES, five hundred shares.
B. E. BATES, five hundred shares.
O. S. CHAPMAN, two hundred and fifty shares.
S. HOOPER & CO., five hundred shares.
R. G. HAZARD, five hundred shares.
ISAAC P. HAZARD, two hundred and fifty shares.
SIDNEY DILLON, five hundred shares.
BEN. HOLLADAY, five hundred shares.
C. S. BUSHNELL.
GEO. T. M. DAVIS.
GEO. FRANCIS TRAIN.
GEO. GRISWOLD GRAY, eleven hundred shares.
H. S. MCCOMB, two hundred and fifty shares.

WASHINGTON, *January* 18, 1873.

JOHN M. S. WILLIAMS sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. Cambridge, Massachusetts.

Q. Have you in any way been connected with the Union Pacific Railroad Company; and if so, since when, and in what capacity?—A. I was treasurer from March, 1869, to March, 1871.

Q. Were you an officer of that road prior to that time?—A. I never acted as an officer. I was elected director once, but never served.

Q. When was that?—A. I forget the time.

Q. Were you a stockholder in the road?—A. Yes, sir.

Q. When did you become a stockholder?—A. I was one of the original subscribers.

Q. Have you been a stockholder ever since?—A. Yes, sir; until about a year ago, when I sold out.

Q. What amount of stock did you hold in the road?—A. I was an original subscriber for $20,000. I have held from that all the way to, I think, at one time, three or four hundred thousand dollars. I cannot remember the exact amount.

Q. Have you at any time been interested in the corporation known as the Credit Mobilier of America?—A. Yes, sir.

Q. When did your interest in that begin and how long did it continue?—A. I think it was in 1865 it commenced. I am still a stockholder.

Q. Do you remember what was the capital stock of the Credit Mobilier at the time you became a subscriber?—A. I think it was two millions paid in.

Q. How much stock did you take in it at that time?—A. One-sixteenth of the capital stock—$125,000—that is, myself and my partner took that amount.

Q. Your firm took $125,000?—A. Yes, sir.

Q. Who composed your firm?—A. There were four in the firm, but it was taken in the name of two of us—William Gliddon and myself.

Q. Was that an original subscription or purchase of stock?—A. Original.

Q. How much money did you pay on account of that stock?—A. The whole amount.

Q. The capital stock was increased after you took your subscription?—A. Yes, sir.

Q. How much additional stock did you get by virtue of that increase?—A. I did not take it.

Q. You did not take the additional stock?—A. No, sir. Perhaps here I ought to say that on the first addition we declined to take it, and others took it; and on the second addition we paid some one to take our proportion—paid 5 per cent.

Q. Have you at any time been an officer of the Credit Mobilier?—A. I was one of the directors for several years—between two and three years.

Q. From what date to what date?—A. I could not tell without the records.

Q. Look at these books of the Credit Mobilier and see if they will enable you to state.—A. Yes, sir. I was a director from June, 1865, to May, 1867.

Q. Did you hold any other position in that corporation?—A. I was on the executive committee.

Q. Who else composed that committee?—A. I think that Mr. Durant and Mr. Duff were members most, if not all, the time I was on the committee. There were five altogether. I find on referring to the records that the first executive committee was composed of Thomas C. Durant, John Griswold Gray, and J. M. S. Williams. They were the executive committee for 1865. The committee were three then and had all the power of the board.

Q. Was the executive committee constituted by virtue of a resolution

or a by-law of the Credit Mobilier?—A. I cannot find from these record how that is. The management was committed to a railway bureau o five before I come into the board.

Q. I wish you would read that portion of the record establishing railway bureau.—A. It was at a meeting on March 3, 1865: "Present Messrs. Durant, Bushnell, and Train. The form of subscription wa submitted and approved. The president stated he had entered into contract for the construction of one hundred miles of the Union Pacif Railroad, and guaranteed the performance of the same, and advance the necessary sum for the fulfillment of the contract, which, on motion was approved. On motion of Mr. Durant, it was resolved that a rail way bureau be established, to consist of five managers, in accordance with the terms of the subscription, who shall hold office at the direc tion of the board or of the executive committee. Resolved, that T. C Durant, C. S. Bushnell, John Duff, C. A. Lambard, and O. W. Barn constitute said managers."

Q. When was that executive committee appointed that you refer to a moment ago?—A. That committee was appointed in 1864.

Q. Who appointed this railway bureau?—A. The directors of th Credit Mobilier.

Q. Did that railroad bureau appoint an executive committee?—A Yes, sir.

Q. When was that done?—A. It was done at a meeting of the ra way bureau in November, 1865.

Q. Read the record of that appointment.—A. "On motion, it was re solved that an executive committee of T. C. Durant, John Duff, and Sid ney Dillon are hereby appointed by this bureau, and no contract sha be entered into or payment of money made or appointment to any offi or position without the concurrence and approval of said committee I find further the following on the records: "At a meeting of the direc ors held in the city of New York July 12, 1865, the following gent men were appointed an executive committee with full power of th board of directors when the board is not in session." Then on moti the railway bureau was increased to seven members as soon as the co sent of subscribers to the stock could be obtained, per agreement March 3, 1865.

Q. You were secretary of the railway bureau at the time the exec tive committee of the railway bureau was appointed?—A. I was.

Q. Did you after that make a contract with the Union Pacific Ra road Company for the construction of any part of its road?—A. I a tempted to do so.

Q. When was that?—A. June 24, 1867.

Q. Have you the record of the railway bureau in relation to that pr posed contract?—A. I have what purports to be a copy; I presume to be so.

Q. Will you please read it, so that it may be incorporated in yo evidence?—A. I will.

"NEW YORK, *June* 24, 1867.

"DEAR SIR: I beg to offer the following proposition, namely: to bui your road from the end of the hundredth meridian of longitude to th base of the Rocky Mountains at Crow Creek Crossing, 267$\frac{52}{100}$ miles, $50,000 per mile, to be acceptable to the Government commissioners; be completed before the 1st of January, 1868. I also propose that th

company shall transport all material required for construction over the road completed by the company at rates to be agreed upon.

"Yours, very truly,

"JOHN M. S. WILLIAMS.

"T. J. CARTER, Esq.,
"*Secretary of Committee.*

"P. S.—I agree to furnish suitable guarantees.

"J. M. S. W."

Q. What follows this on the record?—A.

"NEW YORK, *June* 15, 1867.

"*To the Railway Bureau of the Credit Mobilier:*

"If the proposal which I have submitted this day to the Union Pacific Railroad Company for the construction of 267 miles of road is accepted, I hereby agree to assign said contract to the Credit Mobilier, with the agreement and understanding that the special executive committee of the said bureau, as now organized, shall continue the management of the same until changed by consent of two-thirds of the stockholders of the Credit Mobilier.

"Yours, very respectfully,

"J. M. S. WILLIAMS."

Q. Was that proposal of yours accepted by the Union Pacific Railroad Company, or any of its committees?—A. I think it was.

Q. Of what committee was Mr. Carter, to whom your letter is addressed, secretary?—A. I have not the record before me, but my memory is that he was secretary of a committee appointed by the board of directors of the Union Pacific Railroad Company to make a contract for the further building of the road.

Q. Do you remember whether any part of the line embraced in your proposition had already been constructed?—A. I think a small portion of it had.

Q. What was the object of proposing to build a road that had already been built?—A. It was to try to get it in the right hands.

Q. Into whose hands was it sought to get it by this proposal?—A. Mr. Dillon's and Mr. Duff's, instead of Mr. Durant.

Q. But had not that portion of the road already been accepted by the Government?—A. I do not know.

Q. Do you know what the road that had already been constructed had cost the Union Pacific Railroad Company?—A. I do not.

Q. Do you remember whether your proposition to build the road was for a larger amount of money than the road had already cost the company?—A. It undoubtedly was.

Q. Then what purpose had you to propose to build a road that had already been built by the company at a cost to them of less than the amoun tmentioned in your proposition?—A. We were identical in interest. The Credit Mobilier and the Union Pacific Railroad Company were the same identical parties. We were building it for ourselves, by ourselves, and among ourselves. There was not $20,000 outside interest in it.

Q. Was this understood at the time?—A. Yes, sir. It was understood that we were dealing with ourselves, to get the control in the right hands. Mr. Durant had entire control, and we proposed to get it out of his hands. He was the most extravagant man I ever knew in my life, and we were trying to get the management into the hands of Mr. Duff.

Q. If, under Mr. Durant's management, this portion of the road had been built for a less sum of money than was proposed to be paid under your contract, how was the railway company to be benefited; was it not, in fact, a contract in the interest of the Credit Mobilier?—A. The Credit Mobilier and the Union Pacific Railroad were the same people. I owned just as much in the Credit Mobilier as I did in the Union Pacific.

Q. But there were a good many persons who did not?—A. I do not think there was $20,000, all told. Every stockholder in the Union Pacific had been invited to come into the Credit Mobilier because it was understood that the road was to be built in that way, by contracting among ourselves for the common benefit of all. We had been building railroads in Iowa in that way, by contracting companies organized among the stockholders. We wanted no one to have an interest except in both alike. Therefore, every man who was a stockholder in the Union Pacific was invited to come into the Credit Mobilier. If he did not, then efforts were made to buy him out, so that there would be no outside interest, but the interest would be identical, and no man would suffer by these contracts.

Q. Have you any books or papers in your possession or under your control belonging to this railway bureau, showing the transactions of the bureau in connection with this matter?—A. I have not. All the books and papers were left with the Credit Mobilier. I do not think there were many books kept. There was this record-book, of which you have a copy.

Q. Were any accounts kept by this executive committee of the railway bureau?—A. I do not think there were. All their business was done by the Credit Mobilier.

Q. Have you any books of the Credit Mobilier in your possession?—A. No, sir; I never did have. Mr. Crane was the man who had charge of them—Mr. Crane and Mr. Ham, while he was secretary.

Q. Can you, from the record before you, give the names of the persons constituting this railway bureau, and the names of the persons constituting the executive committee of the railway bureau at the time your contract was made or proposed to be made?—A. Yes, sir. T. C. Durant, C. S. Bushnell, Sidney Dillon, Charles A. Lambard, J. M. S. Williams, John Duff, and Mr. Gray.

Q. Who constituted the executive committee?—A. The executive committee were composed of T. C. Durant, John Duff, and J. M. S. Williams.

By Mr. PERRY, (counsel for the Government:)

Q. Were the executive committee of the Union Pacific Railroad Company and the executive committee of the railway bureau of the Credit Mobilier substantially the same until the road was completed?—A. I could not answer that without the records, but I think that Mr. Durant was on both.

Q. Without reference to the record, how many would you suppose to be the same?—A. I have no recollection of any one except Mr. Durant, but I presume Mr. Bushnell was; they generally worked together.

By the CHAIRMAN:

Q. After the act of Congress, which authorized the Union Pacific Railroad Company to issue first-mortgage bonds to the same amount as the Government bonds, had passed, did the company issue these first-mortgage bonds before the Credit Mobilier made its contract?—A. I presume it was about the same time.

Q. Who determined when these bonds should be issued—the Credit Mobilier or the Union Pacific Railroad Company?—A. The Union Pacific issued the bonds, but they could not sell them; there was no market for them.

Q. I know the Union Pacific Railroad Company was the only party in form who could issue the bonds; but didn't they lay the matter before the Credit Mobilier and request them to issue the bonds?—A. Well, they acted so simultaneously in everything that it would be difficult to divide it. They were virtually one concern always.

Q. That was the case in the issue of bonds and the sale of them under the first mortgage?—A. I should say yes; yet you might construe my answer one way or another. They were the same identical parties all the way through, having the same interest; they were serving each other and serving themselves. We built four lines of road in Iowa in that way, dealing with ourselves always.

By Mr. HOAR:

Q. I understand you to say that the Union Pacific Railroad Company and the Credit Mobilier were in substance the same concern?—A. Yes, sir.

Q. Composed of persons having the same interests?—A. Yes, sir.

Q. Was it true that during a considerable portion of the time there was a stipulation by which before any person could receive a dividend he must give to the trustees of the Credit Mobilier an irrevocable power of attorney to vote at least six-tenths of his stock?—A. That was subsequent to the action of the Credit Mobilier; they had been left out in the cold.

Q. That was by the trustees?—A. Yes.

Q. But the dividends that these trustees made were divided among the stockholders of the Credit Mobilier?—A. Yes, sir.

Q. Then the Credit Mobilier when getting some ten or twelve million dollars in dividends were hardly left out in the cold?—A. They were, as an organization.

Q. But such warmth as could be derived from the dividends they received?—A. It was their own money. They only took from one pocket and put it in another.

Q. You understood it was necessary, did you not, to obtain the consent of every stockholder to this arrangement?—A. It was so stipulated in the agreement.

Q. Why was that?—A. I could not answer that question.

Q. Was it not, according to your understanding of it, because the majority of the Union Pacific Railroad Company would have no right to make a contract binding the minority; were you not so advised?—A. No, sir; I was not. I was not one of the managers that had anything to do with it. I had gone out of the executive committee of the Credit Mobilier before the execution of the Oakes Ames contract.

Q. How was it at the time of the Williams contract?—A. I was in at that time.

Q. Was the Williams contract one you expected to carry out yourself?—A. Only for the Credit Mobilier, and that was so stated in the records.

Q. So I understand. First, you say you wanted to get it in the right hands—the hands being the Credit Mobilier. Now, didn't you regard it as in any way a fraud upon the Pacific Railroad Company to make these dividends of stock?—A. They were the same parties; it could not be a fraud by any possibility.

Q. Now, how was it about their relations to the Government? The eighteenth section of the act of 1872 provides that whenever the net earnings of the road exceed ten per cent. of its cost Congress may reduce the rates of fare thereon. How was Congress to know anything about the cost of the road, with a view of exercising that power?—A. I do not know, sir.

Q. Was there any provision by which the actual cost of the road to the Credit Mobilier, exclusive of its profits, should be reported to Congress?—A. I do not think there was.

Q. Then, they were by no means the same thing so far as their relations to the Government were concerned?—A. They thought they were only dealing with their own property; they didn't think they had anything to do with the Government.

Q. Now you see that they were not?—A. I do not. The Government could determine the cost of the road in any manner it thought proper.

Q. Were the returns to the Government of the cost of the road the cost to the parties who constructed it, exclusive of profit, or the cost to the Union Pacific Railroad Company, including profit?—A. The cost of the contract.

Q. So that the Union Pacific Railroad Company and the Credit Mobilier being the same thing, they did not return to the Government what the road really cost them?—A. They returned what it cost the Union Pacific Railroad.

Q. But you say that they are the same persons?—A. Yes, sir.

Q. Then they returned to the Government as the cost some ten or twelve million dollars more than what it actually was?—A. That is very doubtful, because they took part of their pay in stock, and that stock was not worth ten cents on a dollar at the time.

Q. How does that make it cost any more to construct the road?—A. They received stock for building the road, and that stock was not worth ten cents on a dollar.

Q. Do you understand that the provision of law which requires them to report the cost of the road would be complied with if they issued their own stock, worth ten cents on a dollar, at par, by calling the par value of that stock the cost of the road?—A. They supposed it was when they made their reports.

Q. Do you now suppose so?—A. I would require time to think of that question.

Q. The Credit Mobilier divided among themselves stock. Who received the dividend, the Credit Mobilier or their trustees, or the person constructing the road?—A. I do not know, sir; I do not think they did. The Credit Mobilier did not, because they were not in the contract.

Q. Was it not stipulated in the instrument creating these trustees that the dividends should be made under the Ames contract to those persons who were stockholders in the Credit Mobilier who had given a proxy on their Union Pacific stock?—A. And also stockholders in both.

Q. Well, they were all stockholders in both. So it was to them in their capacity as stockholders in the Credit Mobilier that the division was made?—A. It was in their capacity as stockholders in the Union Pacific Railway that the division was made.

Q. I thought it was in form and nominally the profits to the Credit Mobilier of the contract with the Union Pacific. Now if that was a division to the stockholders of the Union Pacific Railroad Company, you would not certainly think it was dealing in good faith to the Government to

report that as the cost of the road to the company'—A. It was not a division to them directly, but to trustees, who were acting for them. It was not a dividend, but a division.

Q. Do you think it was acting in good faith to the Government to include in the cost of the road the profits which they divided up among themselves?—A. I do not think the Government was interested in it at all, and therefore we did not see any want of good faith at all. Allow me to say right here that Congress appears to be laboring under an entire misapprehension as to the nature and character of this Pacific Railroad act. It was not a special or private act, but an act to promote public interests and public welfare. The eighteenth section of the law of 1862 declares this to be its object, and I think it is due that it should be judged from the stand-point of the Thirty-seventh and Thirty-eighth Congresses, and not of the Forty-second, and that we ought to look at it contemporaneously with the event. There is a great misunderstanding about the whole thing. We understood that the Government was not to call upon us for the interest of 5 per cent. of the net earnings; that both of those were done away with by that clause of the law which allows them only to retain one-half of the cost of Government transportation, and therefore in everything we did we thought nobody had any interest but ourselves. That is the view we acted upon, and I ought to say here that I never had anything to do with the management of the Union Pacific Railroad Company as such, and in everything I did I tried to act for the best interests of the stockholders, the public, and the Government, and I believe I did. I believe the building of that railroad was one of the greatest blessings to this country. The greatest sufferers were those who built the road, and not the Government.

Q. You understood, Mr. Williams, did you not, that the Government was to have a security on the road reserved by the act of 1862 for the amount of the Government bonds issued?—A. The act of 1862 did so provide, and under that the road could not be built.

Q. Now, the act of 1864 authorized the issue of first-mortgage bonds, and gave them a prior lien to its own bonds, did it not?—A. Yes, sir.

Q. You understood that was granted because the road could not be built under the act of 1862?—A. Yes, sir.

Q. Now, as I understand you, this division of ten or twelve million of dollars was among the stockholders of the Union Pacific Railroad substantially?—A. Equivalent to the stock they took.

Q. Did you understand that you had a right to raise ten or twelve million dollars by these first-mortgage bonds of the company for the purpose, not of constructing the road, but of making a dividend to that amount among the stockholders?—A. I think we had a right to do with them what we had a mind to. They were our property; nobody else had any interest in them.

Q. Suppose you had built the road for the amount of the Government subsidy of $27,000,000 and the sale of your land and such capital stock as was actually subscribed, do you think you would then have had a right, under the act of 1864, to borrow $27,000,000, giving it a prior lien to the Government loan, and divide it among yourselves as dividend?—A. Certainly.

Q. And was not that precisely what you did, to divide among yourselves, as profits for constructing the road, the money raised by these first-mortgage bonds, which had been given a prior lien to the Government bonds?—A. Of course it gave a prior lien—the law gave that.

Q. Did you not, in fact, divide, to some extent, these very first-mortgage bonds, and also the stock of the Union Pacific Railroad Company,

among the parties who received the division of profits under these contracts?—A. The trustees divided some of them, not all.

Q. Can you tell us what, in round numbers, was the cost of that road to the parties who constructed it and equipped it?—A. I have no figures, and have never seen any.

Q. Do you know whose plan or scheme this tripartite agreement was—who devised it?—A. I never did know. It was something I had nothing to do with.

By Mr. SHELLABARGER:

Q. You have stated that the Credit Mobilier and the Union Pacific Railroad Company are substantially the same in interest?—A. Yes, sir.

Q. And that in disposing of the Williams contract, as you have testified, no injustice was done by including completed work in the letting of the contract?—A. You only suppose that because it was included afterward in the Oakes Ames contract. All the stockholders of the Union Pacific Railroad Company assented to that.

Q. That is not just my question. There was included, and you now so state, in the Oakes Ames contract, a large amount of road that was at its date completed.—A. I should not say large.

Q. Was it not two hundred and thirty-eight miles?—A. I do not know the amount. I did not suppose it was so large as that.

Q. Was it not about that amount?—A. I do not know. My proposition was in January; the Oakes Ames contract, as I understand it, was in August. I do not know about that. I was not connected with the making of that contract; in fact, I had been left out in the cold before that.

Q. Do I understand you to say that, when your contract was taken in January, 1867, already at that time there had come to have been an understanding between the Union Pacific Railroad Company and the Credit Mobilier that any profits that were made on your contract would inure to the benefit of the Credit Mobilier, and that therefore they would inure to the benefit of the stockholders of the Union Pacific Railroad Company, because they were substantially identical?—A. Yes, sir.

Q. Was that also true at the time of the letting of the Oakes Ames contract, that all benefit and profit that could be derived from that would inure to the benefit of the stockholders in both corporations?—A. I was not a party to that until a long time after it was made. That was my understanding of it, however.

Q. From your knowledge, and it ought to be pretty thorough, was there any abandonment of that understanding, which existed when your contract was taken, whereby all the advantages of your contract would inure to the benefit of the stockholders in the Union Pacific Railroad; was there any abandonment of that undertaking between the time you took your contract and the time Oakes Ames took his?—A. I do not suppose there was.

Q. Well, now, at the time the resolution was passed, which I will ask you to look at, whereby it was authorized to investigate the Oakes Ames contract, was that your understanding of the relations between the contractor, Oakes Ames, and the stockholders in the two corporations, namely, that all profits that might be derived from the Oakes Ames contract would inure to the benefit of the stockholders in the Union Pacific Railroad Company?—A. That was my understanding at the time. I signed it some time after it was made. If it had not been so I should have considered that somebody was cheating it.

Q. That was just the question I was going to ask. You say that the

238 miles was included in the contract with Oakes Ames, which was then completed, accepted by the Government of the United States as completed, and which had cost, with the equipment, about $27,000 a mile; would not the letting of that to Oakes Ames, at $50,000 per mile, have been a very gross fraud as against the Union Pacific Railroad Company?—A. No, sir; not by any means.

Q. Well, why not?—A. Because they were the same owners.

Q. But, had they not been the same owners, would it not have been; that is to say, if the stockholders of the Union Pacific Railroad Company did not get the benefit of the difference between $27,000 and $50,000, would not the company have been wronged out of that sum?—A. It would, unless they consented to it. If they had not consented to it, it might have been a wrong.

Q. Had they any understanding at the time of the letting of the Oakes Ames contract that they should have the benefit of it—the stockholders in the Union Pacific Railroad Company?—A. I stated before that if it hadn't been for their benefit it would have been a wrong.

Q. I ask you, had they a common understanding that it was for their benefit?—A. I answered that once, that I supposed they had. I had not, because I had been left out in the cold. If they had not I should have considered it a very great wrong.

By Mr. HOAR:

Q. How were you left out in the cold?—A. I had been in the railway bureau, connected with the management of the Credit Mobilier, and I was left out of it.

Q. But your interest had not changed?—A. No, sir.

Q. Will you state whether that contract would have been approved by the Union Pacific Railroad Company, had there not been an understanding that he was not to have the profits of the contract, but they should have been divided among the stockholders of the Credit Mobilier?—A. I should not suppose so. It was not approved until it was so understood.

Q. It was not approved, then, until it was so understood?—A. It was not approved by the individual stockholders until it was so understood.

Q. Was it approved by the company as a corporation?—A. That I do not know.

Q. Was the contract with Oakes Ames so approved?—A. I suppose it was by their acceptance of it. They accepted it in October, did they not?

Q. Who do you mean by "they?"—A. The Union Pacific Railroad Company.

Q. Will you state whether a committee was appointed to investigate the Oakes Ames contract—the contract itself I mean, not the assignment?—A. It would be entirely out of my province. I do not know anything about it; never did.

Q. Why was not the part of the road that was completed at the date of the Oakes Ames contract dealt with as completed work, and why did you not let contracts on separate surveys and estimates, for the uncompleted part beginning at the west end of the completed part and proceeding westward?—A. I cannot answer that question. I had nothing to do with the matter.

Q. Can you state why they included this two hundred and thirty-odd miles, or whatever it was, of completed work in the Oakes Ames contract?—A. I had nothing to do with it.

Q. You were a stockholder?—A. Only a stockholder, and assented to

everything they did, but I had nothing to do with the transaction, I mean in an executive character. I was not connected with either the Union Pacific Railroad or the Credit Mobilier as an officer or manager in any way.

Q. Upon what facts did you base your opinion at the time, and the opinion you expressed a moment ago, that there was an understanding at the date of the letting of the Oakes Ames contract, the same as there was when you took yours, that all the stockholders in the Union Pacific Railroad Company should have the benefit of the profits of the contract?—A. Because it was a common understanding, and nobody would have a right to make a contract for common benefit.

Q. Then you heard no conversation or declaration that led you to that conclusion, but you base your conclusion merely upon the fact that it would have been just and proper to so do?—A. That is all. I was left out—not consulted. I wanted the contract made for the Credit Mobilier. I did not want this trustee arrangement; therefore I was not consulted.

Q. Why would it have been unjust to make the Oakes Ames contract as it was made, had there not been an understanding that the stockholders in the Credit Mobilier and the Union Pacific Railway Company should have the benefit of the job?—A. Because we were acting together—had always acted together from the start. No set of men had a right to go outside and make a contract, for their own personal benefit. But when we were all acting together, there was no wrong done to any one of us.

Q. And that was the understanding from the beginning, that you were to act together for the common benefit?—A. So far as I know, yes, sir.

By the CHAIRMAN:

Q. Do I understand you to say that you considered the Union Pacific Railroad Company and the Credit Mobilier the same thing?—A. Yes, sir; so nearly identical that there was no divergence of interest.

Q. Did this road cost the Union Pacific Railroad Company more than it cost the Credit Mobilier?—A. It depends upon how you look at it. If your right-hand pocket had more money than your left, and you took some from the right and put it in the left, you would be neither richer nor poorer. It was your own property, and you took it out of one pocket and put it in the other.

Q. The Union Pacific Railroad corporation was one corporation and the Credit Mobilier another corporation, and yet you think they were substantially the same thing?—A. Yes, sir.

Q. Now, was the cost of this road the same to the Union Pacific Railroad Company as it was to the Credit Mobilier?—A. In one sense it was, and in one sense it was not.

Q. In what sense was it the same?—A. Because they were the same party.

Q. How would it appear upon the books of these two corporations—the books of the Union Pacific Railroad Company and the Credit Mobilier; would they be alike in the cost of building the road?—A. They might or they might not. It depends upon what value the stock had.

Q. So far, then, as dollars and cents were concerned, they were not?—A. They might or might not have been. You might take a million dollars of cash and a million dollars of bonds, and it would only represent twelve hundred thousand dollars.

Q. Therefore, in order to make them alike in this particular case, is necessary to add to the cost of the construction by the Credit

bilier the amount of the dividends to the Credit Mobilier?—A. The amount of the depreciation of the bonds they were supplied with.

Q. The bonds were the same all the time, were they not, whether they were in the Credit Mobilier or in the Union Pacific Railroad Company?—A. Yes, sir.

Q. And the stock was the same?—A. Yes, sir.

Q. And the money was the same?—A. Yes, sir.

Q. Now, the cost of this road was represented by bonds, stocks, and money?—A. Yes, sir.

Q. How, then, can you make them the same, other than by adding to the cost of the road to the Credit Mobilier the amount of bonds, stock, and money that was divided among the stockholders as dividends, divisions, or whatever you may choose to call it?—A. I will answer that question in this way: Suppose the actual cost to the Credit Mobilier for constructing that part for which it received under the contract $62,000 per mile was $36,000 per mile; the Government bonds they received, ($16,000 per mile,) selling at 90 cents, would amount to $14,400; the first-mortgage bonds to the same amount sell at 80 cents, and net $12,800, and the stock received, $30,000 per mile, sells at 29 1/10 cents, and amounts to $8,800, making the total of $36,000. This is an illustration of how it becomes even.

Q. Now, when the railway company comes to pay these bonds that the Credit Mobilier sold at 80 cents, they have to pay dollar for dollar?—A. All railroad companies when they commence to build their roads have to sell their bonds at a discount, and when they become due pay for them at par.

Q. If the Credit Mobilier has these bonds at 80 cents and can compel the railroad company to pay dollar for dollar, how does that make it even?—A. It is equal to the contractors.

Q. I am not talking about the contractors; is it equal to the corporations?—A. You never saw the railroad yet that didn't have to sell its bonds at a discount.

Q. Does that illustration make it equal; does it not prove that they are unequal? When the Pacific Railroad Company comes to pay these bonds, it has to pay dollar for dollar, does it not?—A. Certainly; all railroad companies have to go through the same ordeal.

Q. Then, according to your construction of this, the railway company sells its bonds to itself for 80 cents, and then pays itself dollar for dollar.—A. That is one way of looking at it; that is not the way that I look at it.

Q. State whether you have any knowledge or information of either the Union Pacific Railroad or the Credit Mobilier, or any person connected therewith, either directly or indirectly, having paid any money to influence or procure in any way the election of any Senator to the Senate of the United States or of any Representative in Congress?—A. I do not know of any such.

Q. Have you any information of anything of that sort?—A. I do not remember of any When I was treasurer of the Union Pacific Railroad Company there was no money paid for that purpose out of the treasury of the company.

Q. Do you know of any person connected with either of those corporations paying money for the purposes alluded to?—A. I have paid money for every election almost.

Q. I am not talking about general contributions to a campaign, but I am speaking about the payment of money for the election of persons to either the Senate or the House of Representatives?—A. I think I can

give a general denial to that. I have no special information. I have paid money myself generally for campaign purposes.

Q. Do you know of any member of Congress employed directly or indirectly for either the Union Pacific Railroad Company or the Credit Mobilier?—A. General B. F. Butler was employed, but I do not know whether he was a member of Congress at the time or not. He came on with Mr. Alley, and the company paid him $3,000. I understood, however, that they paid him more. I heard that he received $5,000.

Q. When was that $3,000 paid?—A. Either in the fall of 1863 or the spring of 1864.

Q. Have you any knowledge of any other sum being paid to General Butler?—A. No, sir.

Q. What service did he render?—A. He gave advice about the Ames contract, and helped us at a meeting we had for an election of officers.

Q. Who drew the Oakes Ames contract?—A. I do not know.

Q. Who drew the assignment?—A. I do not know. I was not connected with any of those. I was opposed to them.

Q. Do you know of any fees being paid to Mr. James F. Wilson?—A. I do not. If I heard of any it has passed out of my mind. I have an impression that he was in the employ of the company, but I am not positive that any sum was paid to him.

By Mr. SHELLABARGER:

Q. Was any account rendered by General Butler to the Union Pacific Railroad Company for the service he rendered?—A. I do not remember what the voucher was.

Q. That service was rendered in New York at the time they arranged the tripartite agreement?—A. It was twice, once at a meeting or election of some kind or another, and again at the signing of the agreement. I think they were both in the same year, or I may be mistaken. It was at the time of the assignment in October, 1867, the latter service was rendered.

Q. Why did the Union Pacific Railroad pay for a service that was rendered the contractor in his dealings with the Credit Mobilier?—A. I do not suppose it was rendered for the benefit of the contractor; it was rendered for the benefit of all. I understood that Mr. Alley took him to New York, but the company took his advice and paid him for it; I was not in the company then. I was left out, and the whole thing was against my advice.

Q. The Union Pacific Railroad Company was not in the habit of paying Mr. Alley's lawyer for services rendered him, were they?—A. I think not.

Q. On its face the railroad company had no interest as a corporation in the question that was then adjusted between the contractor and the Credit Mobilier?—A. I should think they had a very large interest.

Q. Well, why?—A. They did not want to do anything that was illegal.

Q. But their contract was made with Ames?—A. But the stockholders had not assented to it.

Q. And that was the reason they paid a lawyer for getting up an assignment between their contractor and some one else?—A. They paid him for his advice.

Q. Did you see this $3,000 paid?—A. No, sir; I heard it was paid and I saw it on the books afterward.

Mr. ALLEY, by permission of the committee, was allowed to ask the witness the following questions:

Q. Do you say, Mr. Williams, that I got Mr. Butler to go on there as my lawyer?—A. That I understood to be the case.

Q. Who told you such a story as that?—A. I do not know, sir.

Q. Have you any ground for such a statement?—A. It was generally understood so around the office.

Mr. ALLEY. I was in New York City at the time and the president of the company sent on for General Butler. I had nothing more to do with his coming there than you had.

The WITNESS. I heard he came with you.

WASHINGTON, *January* 18, 1873.

JOSEPH B. STEWART sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In New York City.

Q. How long have you resided there?—A. My residence has been in the city of New York since 1864. I have had an office in Washington City for twenty-seven years.

Q. What is your occupation?—A. I am a lawyer.

Q. Do you practice law in the city of Washington?—A. I do.

Q. In what courts?—A. In all the courts.

Q. Have you at any time, and if so when, rendered any service for the Union Pacific Railroad Company or the Credit Mobilier of America; and, if so, when did you render that service?—A. The scope of that question calls for a great deal.

Q. I have not called for the character of the service—merely for the time.—A. I will answer generally, yes, commencing, within the scope of this question, about February, 1864, and continuing until the close of that year. Now, in justice to myself as a witness here, and as an individual—and I can perhaps thereby enable you to direct your further inquiries—I would like to say just a word here. For reasons which I have seen fit to entertain, I have for many years been a very earnest advocate of a railroad to the Pacific, and have done everything I could to promote every Pacific Railway project that has come up since 1855. Therefore, the subject was not a new one to me, but one I sought to participate in. When the act of July 1, 1862, was passed, I took an active interest in that, and watched its progress up to 1864, when, at the instance of Mr. Samuel Hallett, who brought me a letter from Ex-Governor Hunt, of New York, I started a more immediate connection, as I may term it, growing out of that stage of complications surrounding that particular portion of the enterprise provided for in the Pacific Railroad bill, known originally as the Leavenworth, Pawnee and Western Railroad, then known as the Union Pacific Railroad, eastern division, now known as the Kansas Pacific. Now, the connection of a professional character commenced specifically about the period I have indicated. Now, to go back again to May, 1863; I then had something to do as counsel, and something to do in the contract between Stone, Ewing, Isaacs, and McDowell, and also when they sold the corporation known as the Leavenworth, Pawnee and Western Railroad to Hallett and Frémont; and it is very likely that the fact that I was interested in that matter professionally, as well as individually, caused my connection with the road in a more active character at the period I have indicated, in 1864.

Q. You say you took an active interest in these enterprises. In what

particular way was that interest manifested; in what way were you participating in these things?—A. At that stage of it, of course, when there was no corporation existing, it could only be by advocating it, occasionally by my pen and more frequently by my tongue, and constantly urging it before the public whenever I could.

Q. Was it a part of your business in Washington to urge that thing upon members of Congress and Senators?—A. It was by no means a specific part of my business other than I made it a part of my business, as any citizen had a right to do.

Q. And when this period came around, when you became connected with the Union Pacific Railroad Company, did you participate actively in securing further legislation in that behalf?—A. I used my utmost endeavors to induce Congress—I speak of it as a body; of course I did not address myself to details—so far as I could, to foster, sustain, and favor the persons who were disposed to engage in and invest their private fortunes in building those roads, for reasons which I observed and were sufficient.

Q. Did you use those endeavors of which you have spoken in this general way upon members of Congress and Senators for the purpose of influencing them or inducing them to pass this amendment of 1864?—A. As I had a pretty active part in getting up the amendment, it may well be supposed that I did all I could to procure its passage.

Q. You did so, then?—A. I did so publicly and notoriously.

Q. Did you do so privately with individual members?—A. As I had not the privilege of speaking on the floor of Congress, and, except when permitted, in the presence of committees, I had no other means of addressing members of Congress than through the press and personally; but it was not privately; it was not addressed to any particular member of Congress to the exclusion of the rest.

Q. I want to know whether you were engaged in what is called lobbying in behalf of that scheme?—A. I disclaim the performance of that service within the terms indicated by the question at any time or on any occasion. I have had, during the last twenty-seven years, a good deal of business before Congress, as constituted to administer certain rules of justice appertaining to the Government, there being no other tribunal, and whatever arbitrary terms may be employed, calling it lobbying or what not, I am not responsible for that.

Q. But you have had a great deal to do, as I understand you, within the last twenty-seven years in getting measures through Congress?—A. You have no right to understand that.

Q. What did you mean, then, in answer to my former question?—A. I mean to say that during the last twenty-seven years I have had a great deal of business before Congress as organized——

Q. Well, hold on; right there I will ask you a question, or make a suggestion in the form of a question. Is there any mode known to you by which Congress does any business other than by acts of Congress becoming laws?—A. I should regret if there were.

Q. Was not, then, the mode by which you were accomplishing, or seeking to accomplish, the ends you desired by getting acts of Congress passed?—A. I will put my language in this way: It was to address myself to Congress as a legislative body, through its committees, submitting reasons why a law should be passed for the relief of my client, or to present his case, for instance, before the Naval Committee, Committee on Post-Offices and Post-Roads, and so forth. I speak now more particularly before the organization of the Court of Claims, the original draught of which bill I drew. There was a time when I had a calendar

every winter and every Congress before the several committees. It was openly, not in the spirit of persuading any man or Senator, as a member or Senator, but to submit to him, as a member of a committee or member of Congress, reasons why it ought to be done.

Q. Did you labor for the enactment of this Pacific Railroad act of 1864 as you did in these other cases to which you have referred?—A. Most actively and earnestly.

Q. Was this labor you rendered in getting this legislation rendered gratuitously upon your part?—A. No, sir, not gratuitously upon my part.

Q. Who paid you for it?—A. I was paid for my services by the company, or those acting for and representing the company at the time.

Q. What were you paid for the purpose of getting this legislation?—A. For my individual services I was paid $30,000.

Q. On account of this railroad?—A. On account of the railroads.

Q. Who paid you that $30,000?—A. Now, the question you are asking is calculated to lead to a conclusion which I wish to prevent right here. Now, I will answer, and I will answer just as the facts transpired. I think the entire amount and all that was paid, with one exception, was paid through Mr. Durant and Mr. Hallett—through Durant mainly. The other payment was made by Mr. C. P. Huntington.

Q. What amount did he pay you?—A. Ten thousand dollars.

Q. Was that in addition to the $30,000?—A. Yes, sir.

Q. Who is Mr. C. P. Huntington?—A. President of the Central Pacific Railroad. He paid me in stock of the Central Pacific Railroad.

Q. When was that?—A. In 1864.

Q. Was that in consideration of aiding and procuring the passage of this act of 1864?—A. It was.

Q. Was the $30,000, of which you have spoken, paid for services rendered in aiding in getting the same act passed?—A. It was; but that was not all that came into my hands.

Q. Well, go on.—A. A great deal more than that came into my hands, and I received it in discharge of my duty and undertaking as attorney where the roads were concerned, and where parties having interests preceding 1864 had, or alleged that they had, a prior right, resting largely upon the corporation which I have described, now known as the Kansas Pacific Railroad; some growing out of the Union Pacific main line. These matters were discharged in the course of my professional relations as counsel to the company and to the other parties, and as mediator, negotiator, and compromisor between conflicting interests, all of which I do not purpose to explain here to this committee, because the confidence reposed in me in these matters is the confidence of my clients, and they refer to matters which were settled then, and which had no reference to any member of Congress, or Senator, or anybody else outside of the private interests involved. Now, for this purpose I received a great deal more than $30,000 or $100,000 either.

Q. From whom did you receive this large amount of money that went through your hands?—A. The bonds, you mean?

Q. From whom did you receive these bonds?—A. From Mr. Samuel Hallett and Mr. Thomas C. Durant.

Q. What bonds were they—railroad bonds or Government bonds?—A. They were railroad bonds.

Q. What railroad bonds were they?—A. Of the Union Pacific and the Union Pacific, eastern division, now known as the Kansas Pacific.

Q. What reason have you for declining to state what the subject-matter of these controversies were that were settled by the use of these bonds?—A. Because they are the private interests of other people, who

have not the remotest idea of having them disclosed here, and because I have no right to disclose them.

Q. It is very hard for the committee to appreciate your motives without a more detailed statement of the matter.—A. I am the judge of that. No part of that fund was paid, either directly or indirectly, to a member of Congress or Senator. When you go outside of that, I claim to have duties to observe and obligations to perform as well as you, and they cannot be disregarded.

Q. What amount of money was at any time placed in your hands by Mr. Durant?—A. That does not state the case as I thought I explained it a moment since.

Q. I will put it as money, bonds, or stock.—A. Now, then, I will place the proposition before you in this way: At the time these things transpired, there were disputes and demands, in some of which I was myself counsel for the parties; others were represented by different counsel. They gave rise to embarrassments and to controversies and threatened injurious litigation—litigation which, if commenced or persisted in, would tend to discourage and certainly to seriously embarrass the objects of the road. Mr. Durant and Mr. Hallett together paid me a very large amount—to exceed $250,000.

Q. Was that in money or in bonds?—A. I have said a moment ago all in bonds.

Q. And bonds of the Union Pacific Railroad?—A. Not all of the Union Pacific.

Q. What amount of these were bonds of the Union Pacific?—A. As nigh as I can remember it, I think one hundred to one hundred and fifty bonds. Whatever they were I could not get at specifically now. I must here do justice to say, and it is proper to say—for these amounts sound large—that if I laid before this committee all the reasons and all the matter involved which laid the foundations for that proceeding, it would not look so disproportionate. I do not think there were over 10 or 15 per cent., so far as the claims being controverted were concerned, that were settled. They were claims for land, and bonds, and various things.

Q. What did you do with the Pacific Railroad bonds that came into your possession?—A. That is the very thing I do not propose to disclose.

Q. What were those stipulations?—A. They were matters between clients and persons who were urging these claims, who submitted to have them settled, sometimes by me directly, sometimes by myself in connection with others, sometimes at the end of serious controversy, sometimes involving litigation—all of which enter into the very reasons that I do not propose to state to this committee.

Q. Who were the parties interested in these disputes of which you have spoken?—A. They were a number of persons. The question in my mind, Mr. Chairman, is how far your inquiry proposes to lead me on. So far as you are interrogating me about this resolution of inquiry—what pertains to things done with Congress—that I feel called upon to answer distinctly and fully; but outside of it, into my profession, I come to a point where I do not propose to permit myself to be interrogated, or answer questions.

Q. I simply want to know who these parties were.—A. They were not members of Congress.

Q. I have not asked who they were not.—A. I decline to allow any inquiry into my clients' business. Learning I was going to be summoned, I got the resolution and read it. I was going away to-night,

but not desiring to leave in the face of a summons, I read the resolution, and seem to understand its object. Having occupied the position of attorney and trustee, and participated in the settlement quietly of matters previously unpleasantly controverted, I should feel I was very recreant to my trust if I disclosed them now.

Q. Well, Mr. Stewart, we have traced into your hands a certain amount of bonds of the Union Pacific Railroad—— A. Allow me to say, in the first place, that I object to the use of the language of having traced anything into my hands.

Q. Well, did you receive into your possession any of the stock or bonds of the Union Pacific Railroad; and, if so, how much?—A. I have stated most distinctly that exceeding $250,000 of bonds passed through my hands. Now, to whom I paid them I decline to say. I say that no member of Congress received any. I paid the bonds to different persons who were my clients, or subject to my trust, whose private affairs I do not think are involved in this resolution.

Q. What bonds were those?—A. The bonds issued by the railroad company. They were the construction bonds, convertible into the first mortgage bonds. I do not think a Government bond came into my hands at all.

Q. Did you pay any of these bonds to any officer of the Government?—A. I never did.

Q. Directly or indirectly?—A. I never did.

Q. Do you know of any bonds being given by any other person with reference to this legislation?—A. No, sir.

Q. Do you know of any money being given to members of Congress with reference to this legislation?—A. I do not.

Q. Do you know of any bonds or money being paid to any officer of the Government with reference to this legislation?—A. I do not.

Q. Since the organization of the Union Pacific Railroad Company, do you know of any bonds, stock, or money being paid to any legislator or member of Congress, or officer of the Government, by said company?—A. No, sir. I answer that with great emphasis; I do not at all.

Q. Have you any information that anything of that kind was done?—A. I have fortunately no such information. I would not allow myself to speak of such information, if I had.

Q. Why would you not allow yourself to speak of it?—A. I would not allow myself to publish what others might say in matters so serious and detrimental to the character of gentlemen in public position, unless I knew the fact. In other words, I would not retail gossip.

Q. If you had been told by some one that so and so had been done, would you refuse to state the fact that somebody had told you so?—A. If I had been told by some one, you ask, a certain matter, would I refuse to state that somebody had told me it? I should be very much disinclined to repeat what I heard in that way, when the person from whom I heard it might deny that he had told me.

Q. Do I understand you to say that nobody ever did tell you such a thing?—A. Nobody ever did tell me that they knew personally such a thing. The step beyond that is to pick up Dame Rumor. Such stories have been in my ears day in and day out, but nobody has told me about them whose word I believe, and I never heard the rumor from anybody whose opinion I thought worth cherishing.

Q. In what way were you paid $30,000 for your services in aiding this legislation in 1864?—A. For the labor I performed, I was paid the bonds, as agreed by Mr. Hallet and Mr. Durant.

Q. Mr. Durant paid you the $30,000?—A. He paid me a much larger amount than that.

Q. Did you have an accounting with Mr. Durant with regard to the large amount that came into your hands?—A. Now, I will answer that question just as it transpired, and you must bear with me, as my answer may, perhaps, save other questions. When the basis was determined upon which these matters in dispute should be settled, it was reduced to a memorandum, the parties having this memorandum. A man claimed a hundred thousand dollars' worth of stock, or he would claim that equivalent, or some other equivalent, in land, that would possibly be settled for ten per cent. of the amount or fifteen per cent.—the best terms that could be effected to avoid litigation—all the claims having at least some color to maintain them, and sometimes very well-defined obligations. These memoranda—whatever the amount was, ten, fifteen, or twenty per cent., for in no instance did it go above twenty per cent. to any one person—were grouped together, and Mr. Hallett on the one part would approve them, for before I concluded the settlement I had consulted sufficiently close with him and Mr. Durant to know what would be acceptable to them. These were reduced to a general memorandum, upon which the bonds were to be delivered. If the party relinquished what he had in the way of a claim, he received this memorandum that he would get so many bonds, and when these were all brought together they were paid, and the memoranda taken in. There was no other mode of settlement.

Q. Taken in by whom?—A. By Durant and Hallett.

Q. What time did you get these bonds?—A. The latter part of June, 1864. Now, as to my own employment; the records of Congress will advise you that when the Kansas Pacific Railroad, as it is now called, was sold to Hallett and Frémont, it gave rise to a series of controversies between parties who were interested in the road previous to that, who had certain claims upon it. During the fall of that year Mr. Hallett and Mr. Frémont differed and separated, which eventuated in Mr. Durant coming into the Union Pacific, eastern division. That is the road commencing at Kansas City and going back to Denver, and forming a junction with the main line at Cheyenne. That gave rise to contest and litigation between Hallett and Frémont. After it had been well ascertained that the road could not be built under the act of 1862, and when, in 1864, they were seeking here to get further strength in their financial condition by the friendly legislation of Congress, among other embarrassments, there sprung up a contest between Hallett and Frémont, each well sustained by counsel, the quarrel having commenced in New York, and found its way here and in the committee-room. Mr. Dudley Field and certain other gentlemen were brought here as counsel, and what was known as the eleventh section of the act of 1864 was got into the bill as reported—mark you, as reported, for it never became a law. When that eleventh section was put in, it provided that the Leavenworth, Pawnee and Western Railroad, commonly known as the Union Pacific, eastern division, should have neither land nor bounty until the controversies, represented as they were by two boards of directors, Frémont president of one and Perry the other, should be settled or determined by a court of competent jurisdiction; and in that shape, with that clause in the bill, it was reported from the Committee on the Pacific Railroad. I was engaged more especially to handle what was called the Hallett and Durant side of the controversy, and it was our design to get the bill free from that clause. It was in connection with that that I took an active part, and for that reason you will understand that the bonds

that were paid me for my services were the construction bonds of the Union Pacific Railroad, eastern division. There were five corporations embraced in one bill, and whatever embarrassed one embarrassed the whole.

Q. Was it not for the purpose of settling that dispute with reference to the Lawrence, Pawnee and Western road that those bonds of the Union Pacific Railroad were placed in your hands, and didn't they go into the settlement of that dispute?—A. They most certainly did.

Q. Then all the bonds that were used by you were paid over in settlement of that dispute and for your fees?—A. Certainly, every solitary one of them.

By Mr. HOAR:

Q. In this transaction, whose agent did you consider yourself?—A. I considered myself the agent and attorney of all the corporations, because I was employed to endeavor to frame a proposition that would be acceptable to Congress, and, so far as I could, to aid and strengthen the financial condition of the roads. I am the author of the tenth section of the act of 1864.

Q. Did you report to Dr. Durant how these sums of money were disposed of?—A. I most certainly did.

Q. Have you any objection to stating what you then reported to Dr. Durant?—A. I have.

Q. Do you understand the protection of counsel to extend beyond the confidential communications of counsel and client?—A. I understand pretty well the rule. I understand the rule to extend to all relations that come within the scope of counsel or adviser on one part or the other. I also understand it to extend where is rested in my bosom the conflicting controversies between two parties that I am arbitrator between, and that I have no right to state anything that would revive those oppositions.

Q. What I want to know is whether you refused to disclose those facts which the chairman inquired of you about, on the ground of your relation or duties to your client, or whether you based it on your construction of the resolution authorizing the committee to act.—A. Exclusively upon a sense of duty to my clients. I would only resort to the resolution in certain contingencies.

By Mr. SHELLABARGER:

Q. Did you furnish a written statement or account to Dr. Durant of the amounts that you had paid out, and for what purpose?—A. There was no other memorandum than the one I have spoken of; no vouchers given or required or needed.

Q. Do I understand that you had made a settlement of these conflicting interests of claimants before you received the bonds, and that you knew the amount that would be required to make the settlement, and obtained the necessary quantity of bonds to pay off the claimants?—A. That is it, exactly.

Q. Then you got the bonds on your exhibit of what had been adjusted?—A. Extending to your question that these things were understood as they professed by Mr. Hallett and Mr. Durant.

Q. And they never received from you any other vouchers of what you had done?—A. Only the receipt for the bonds.

WASHINGTON, D. C., *January* 21, 1873.

The committee met; all the members present.

E. H. ROLLINS sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. At Concord, New Hamp shire.

Q. Are you an officer of the Union Pacific Railroad Company?—A. I am treasurer of the Union Pacific Railroad Company.

Q. How long have you been treasurer of that company?—A. Since April, 1871.

Q. Had you any official relations with that road before that time?—A I was secretary of the company from the time that the office was re moved to Boston, in May, 1869.

Q. Prior to that time had you any connection with it?—A. Prior to that time I had some connection with the company.

Q. In what way?—A. I was employed by the company to attend to some business in Washington toward the construction of the road; to secure the subsidy-bonds from the Government in pursuance of law; and I attended to the adjustment of some of its claims with the Quarter master Department for transportation.

Q. When was that?—A. I think in 1868.

Q. Have you with you now any of the books of the Union Pacific Railroad Company? If so, state up to what time these books show the transactions of the company.—A. Up to the time of the removal of the office from New York to Boston. In addition to that I have record of the company to the present time, and many other books covering the transactions of the company since, but not all of them.

Q. Have you the directors' record which was kept in the city of New York?—A. I have.

Q. With whom was the first contract made for the construction of this road, as appears by the records of the company?—A. With H. M. Hoxie.

Q. On what page of the directors' record will be found the first entry in reference to that contract?—A. On page 116.

Q. Where is the next entry with regard to it?—A. On page 139. This is the proposition of H. M. Hoxie to construct a portion of the road. The heading is "Copy of contract," but it seems to be only a proposition.

Q. Was that contract approved by the board?—A. It seems to have been approved on page 141 by a select committee.

Q. Was the Hoxie contract assigned to the Credit Mobilier?—A. It was.

Q. Is there any entry on the records in reference to that assign ment?—A. Yes; on pages 142 and 143.

Q. Is there anything on the records of the board of directors in refer ence to what is known as the Boomer contract?—A. I think not.

Q. Is there anything on the records in reference to the contract with John M. S. Williams?—A. There is. On page 206 will be found a pro posal of John M. S. Williams.

Q. Was that proposition accepted, as appears by the record?—A. It was; on pages 206 and 207.

Q. Was there any further action in relation to that contract by the board of directors?—A. There was. On page 208 is a resolution instruct ing a committee to prepare a written contract.

Q. What was the next contract that was made for the construction

of this road, as appears by these records?—A. The Oakes Ames contract.

Q. What is the first entry that you find on the record with relation to the Oakes Ames contract?—A. On pages 245 and 246 is a proposition of Mr. Oakes Ames for a contract.

Q. Was that proposition accepted by the company?—A. It was; the acceptance will be found on page 246.

Q. Was there a committee appointed to settle details in relation to that contract?—A. There was; the executive committee of the company. That will be found on page 250.

Q. Does the contract appear on record?—A. It does, on pages 251 to 255 inclusive.

Q. Is there anything further on the records of the company in relation to that contract?—A. There is, on page 256 the recommendation of the executive committee and the approval of the contract.

Q. Look on page 258 and see whether the contract was approved by the board.—A. The contract was approved by the board by the approval of the records of the executive committee.

Q. Was there anything further done in relation to it?—A. On page 259 the board consented to the assignment of the contract.

Q. Is there anything further in relation to it on that record?—A. No, sir; that is all.

Q. Have you another book that shows entries with relation to this contract?—A. I have a book of directors' records from October 4, 1867, to March 13, 1869.

Q. What is that book entitled?—A. On the first page it is headed "Rough Minutes."

Q. Can you explain how that book happened to have an origin?—A. There was some difficulty in relation to the annual election of the board of directors, and it grew out of that.

Q. What is shown on that book of rough minutes in relation to the assignment of the Oakes Ames contract?—A. On page 5 the executive committee was authorized to examine an assignment of the Oakes Ames contract, and was given full power to accept of such an assignment or to reject it.

Q. Was it accepted as appears on that record?—A. It was, on page 6.

Q. Was Oakes Ames released from the performance of it by the board?—A. On page 7 is an entry with relation to the Oakes Ames contract.

Q. What was the next contract that was entered into?—A. The Davis contract. On page 57 of the executive committee records is found a letter from Thomas C. Durant, vice president and general agent.

Q. What is the next entry?—A. The next entry is on page 58; it is a proposition from James W. Davis to construct the road; it is dated November 1, 1868.

Q. Was that proposition accepted as appears there?—A. There is a memorandum here "accepted, subject to approval of all the stockholders of November 1."

Q. What is the next entry?—A. The next entry is on page 58, an assignment of the contract of J. W. Davis.

Q. To whom?—A. To the trustees named; they are all named in the assignment.

Q. Was that assignment approved?—A. It was, on page 59.

Q. Are you now or have you at any time been in any way connected with the Credit Mobilier of America?—A. Not at all.

Q. Neither as stockholder nor in any way?—A. Never at all.

(The examination of the witness was here suspended.)

The examination was resumed, as follows:

Q. State what was the cost to the Union Pacific Railroad Company of the construction of that part of the road which is embraced in the Hoxie contract, under that contract.—A. The only statement I can make is from the books, which show the amount charged to the Hoxie contract; the amount paid under the Hoxie contract and charged to it was $14,550,278.94. The last entry in this book seems to be March 30, 1867, and the last credit seems to be September 30, 1867.

Q. Do you know when the additional payments (not included in that book) were made?—A. They were made before I became treasurer of the company.

Q. The whole amount shown to have been paid under the Hoxie contract is the amount you have stated?—A. Yes, sir.

Q. Of that sum please state how much had been paid up to the 30th of March, 1867?—A. $12,550,278.94.

Q. Between the 30th of March, 1867, and the final payment on this contract there seems to have been an additional sum of $2,000,000 paid?—A. Yes.

Q. Do you know when that $2,000,000 was paid?—A. It was paid, I should think, some time during the year 1869.

Q. Have you ever seen the entries on the books of the payments constituting this $2,000,000?—A. Yes; I have seen the entry on the ledger.

Q. Is that a single entry of $2,000,000?—A. It is.

Q. Do you know on what account it was paid?—A. The entry on the ledger is "bills payable." I do not know that I ever saw the entry on the journal.

Q. Did you ever see the bills payable constituting that $2,000,000?—A. I never did.

Q. Do you know any of the circumstances attending the giving of any such obligations as those, either of your own knowledge, or from information derived from others?—A. As I understand it, a note of the company was given for $2,000,000, and charged to the Hoxie contract.

Q. To whom was that note given?—A. I do not know to whom it was given in the first instance, but it was placed in the hands of Elisha Atkins, of Boston.

Q. For what purpose?—A. It was given him, as I understand the case, in trust, as collateral security for the indorsers of some bond, which was required in the case of the suit in Pennsylvania against the Credit Mobilier for taxes.

By Mr. SLOCUM:

Q. Who were president and treasurer at that time?—A. Oliver Ames was president, and John M. S. Williams secretary.

By the CHAIRMAN:

Q. Do you know any consideration at all for which that note of $2,000,000 was given?—A. None except work on the Hoxie contract.

Q. Had not the Hoxie contract all been paid up to that time?—A. That I do not know.

Q. The Hoxie contract covered 247 miles and a fraction, which, at $50,000 a mile, would amount to about $12,400,000, and, up to the 30th of March, 1867, there had been paid on it $12,550,278.94, according to the showing of your book.—A. In justice to the books I should say that there is credited under the Hoxie contract $263,000 more than the amount specified here. I mean to say that there is still, according to

the books of the company at Boston, something due under the Hoxie contract.

Q. Notwithstanding this $2,000,000?—A. Yes; some $263,000.

Q. In addition to the amount you have given here?—A. Yes.

Q. So that, according to this, the Hoxie contract has cost the company some $263,000 in addition to the $14,550,278.94 that you gave a little while ago?—A. Yes.

Q. Who holds the $2,000,000 note now?—A. Elisha Atkins, of Boston.

Q. Is that all the information that you can give us now in reference to the Hoxie contract?—A. Yes, sir; I think it is.

Q. Is that all you know in relation to this $2,000,000 note?—A. Yes.

Q. Do you know who made the entries on the books in regard to this $2,000,000 loan?—A. The book-keeper at the time, Mr. J. E. Fisher, I think.

By Mr. SLOCUM:

Q. Is this suit in Pennsylvania against the Credit Mobilier settled?—A. I understand it is.

Q. Then why is it that this note of $2,000,000, which was given as collateral security, has not been recalled and delivered up to the company?—A. I do not know. I cannot explain it.

By the CHAIRMAN:

Q. Have you any information in relation to that note, derived from others, other than what you have already given to the committee?—A. No, sir.

By Mr. SWANN:

Q. Is it a promissory note or a bond?—A. It is a note.

Q. Renewed from time to time?—A. I have never seen the note myself.

Q. You do not know who signed the note?—A. I have no doubt that it was signed by the president and treasurer of the company at the time, Messrs. Ames and Williams. It never has been renewed, to my knowledge.

By Mr. SLOCUM:

Q. Was it a call-note or a time-note?—A. I do not know.

Q. When was that note dated?—A. August 4, 1869.

By Mr. SWANN:

Q. When would that promissory note be barred by the statute of limitation?—A. I do not know. I suppose in six years after date.

By the CHAIRMAN:

Q. Has there been at any time recently an order of the board of directors to issue a large amount of bonds of the Union Pacific Railroad Company?—A. There was an order passed at a recent meeting of the directors in New York to issue $16,000,000 of bonds.

Q. Of what class of bonds?—A. They were to be denominated "Sinking-fund mortgage bonds."

Q. Where is that order?—A. On the book of "Records of the stockholders and directors," on pages 163, '4, '5, '6.

Q. What is the date of the order?—A. December 12, 1872.

The order was put in evidence, as follows:

"Mr. Morton presented preamble and resolutions as follows, which were adopted unanimously:

"NEW YORK, *December* 12, 1872.

"Whereas it appears by the report of the finance committee, submitted this day, that the company will require about four millions of dollars for the payment of coupons and obligations maturing on or before April 1, 1873; and whereas the income bonds of the company, amounting to ten millions of dollars, mature in 1874: It is therefore

"*Resolved*, That a mortgage upon the land, land-grants, road-bed, appurtenances, and property of the company be made to the Union Trust Company, of New York, as trustees, to secure the payment of the bonds of this company for sixteen millions of dollars currency, or three millions two hundred thousand pounds in British sterling, in sixteen thousand bonds, numbered 1 to 16,000 inclusive, for the sum of $1,000 United States currency, or £200 British sterling each, the principal of which is payable on the 1st day of March, 1903, in gold, unless sooner redeemed under the sinking fund clause hereinafter contained, at the office of the company, with interest at the rate of 8 per cent. per annum currency, or 7 per cent. per annum British sterling, at the option of the holder, interest payable on the 1st day of March and the 1st day of September in each year, said bonds to be called 'a sinking-fund mortgage bond.'

"*Resolved*, That a sinking fund of one per cent. per annum on the amount of coupon bonds actually issued and outstanding under the mortgage be created for the purchase, at par, and extinguishment of said coupon bonds issued under this mortgage, to be redeemed by annual drawings by lot, by the trustees for the time being, or some one of them, or by some person duly authorized by them, in the month of February in each year, beginning in the month of February, 1874, at the office of the Union Trust Company, or their satisfactory successors, in New York, in the presence of one of the officers of the company and of a notary public, notice of said drawing to be announced thirty days prior to said drawing, both in New York and London, and notice of the numbers so drawn to be posted, by the trustees for the time being, at the office of the Union Trust Company, in New York, and at the office of Morton, Rose & Co., in London, or their satisfactory successors, and also to be advertised, by the Union Trust Company and Morton, Rose & Co., in one or more newspapers in each of the cities of New York and London. On the 30th day of August following the drawing, the bonds so drawn shall be paid, by the trustees for the time being, to such of the holders thereof as may have, in writing, notified the trustees on or before that day of their election, to have their bonds so redeemed or paid; that is to say, at the rate of $1,000 in United States currency in New York, or £200 in British sterling money in London, for each bond, on delivery of the bonds with the unmatured coupons. And in case any of the holders of the bonds so drawn shall fail to notify the trustees, in writing, of their election to have their said bonds thus paid and redeemed, as aforesaid, then and forever thereafter such bonds shall cease to be entitled to be purchased and redeemed by means of said sinking fund shall be proportionately reduced.

"*Resolved*, That ten millions of dollars, or two million pounds sterling, of the above bonds, known as the ten per cent. income bonds of this company, and for no other purpose whatever.

"*Resolved*, That the aforesaid coupon bonds may, at the option of the holder, be converted into registered bonds of the company, bearing interest at the rate of 8 per cent. per annum in currency, said registered bonds not being entitled to share in the sinking fund or annual drawing under said sinking fund.

"*Resolved*, That a committee, consisting of the president, Augustus Schell, John Duff, L. P. Morton, James H. Banker, E. Atkins, and D. S. Ruddock, be, and they are hereby, authorized to have said mortgage and bonds prepared, under advice of the counsel of the company, and that the president and treasurer be, and are hereby, directed to execute said bonds and mortgage and attach the seal of the company thereto when and as the same shall have been approved by the executive committee."

Q. Were you present at that meeting?—A. I was.

Q. Was there anything said at that meeting in reference to this indebtedness of $2,000,000 to the Credit Mobilier on account of this note?—A. I think not.

Q. That matter was not mentioned?—A. I do not think it was.

Q. Was there any purpose in ordering these $16,000,000 of bonds to be issued, other than is specified in the record which you have just referred to?—A. Not that I am aware of.

Q. Have any of those bonds been issued pursuant to that order?—A. No, sir.

Q. Have they been prepared for issuing?—A. I think not. I have no information that anything has been done in regard to issuing those bonds.

By Mr. SWANN:

Q. What collateral security was to be pledged for the redemption of these bonds?—A. There was to be a sinking-fund for the redemption of the bonds and the mortgage.

Q. That mortgage has never been made or executed?—A. It never has been made or executed.

By the CHAIRMAN:

Q. Do you know anything in regard to a lot of bonds having been lost about the time the office of the company was transferred from New York to Boston?—A. I know that there were some bonds lost.

Q. Do you know the amount?—A. I do not know that I can give that information any better than to hand you my report, which I made to the board of directors, on the auditor's thorough examination of the matter. It is dated March 8, 1871, and is found on pages 117, 118, 119,120, and 121 of the records of stockholders and directors.

By Mr. SWANN:

Q. What was the amount of the bonds that were lost?—A. 254 first-mortgage bonds, making $254,000.

By Mr. SLOCUM:

Q. Was that the property of the Union Pacific Railroad Company or the Credit Mobilier?—A. I have no doubt they were the property of the Union Pacific Railroad Company.

Q. They were in the hands of whom?—A. Mr. J. J. Cisco was then treasurer of the company.

By Mr. SWANN:

Q. Who had the custody of them?—A. I suppose the treasurer or the assistant treasurer, Mr. Charles Tuttle. The assistant treasurer had the most active part in the transactions of the company.

Q. Were those bonds in the box where the archives of the company were kept, which were afterward sent to the North?—A. I do not know.

Q. You never saw them there?—A. O, no; I never saw them.

By the CHAIRMAN:

Q. Have you any information as to what became of those bonds?—No, I have not.

By Mr. SWANN:

Q. Have any efforts been made to recover them by the board?—Yes, a good deal of time has been spent in trying to discover what came of them.

Q. You have not been able to trace them, and have never receiv any of them back from any source?—A. No, sir.

Q. What officer was responsible for them as custodian?—A. T treasurer or assistant treasurer.

By the CHAIRMAN:

Q. State the cost to the Union Pacific Railroad Company of the c struction of that portion of tts road covered by the Oakes Ames c tract under that contract?—A. $59,381,855.53.

Q. At the time the Oakes Ames contract was made, there seems, the reports from the Treasury Department, to have been 142 miles that already completed and accepted by the Government; state wh that work had cost the Union Pacific Railroad Company, as shown the books of the company.—A. It is impossible for me to answer th question from any data I have here.

Q. Is there anything in the books of the Union Pacific Railroad Co pany anywhere, showing what the company paid for that work?—A. have not examined the books through with reference to that matter, s I do not know whether it would be possible, from the books, to make that account or not. I will not undertake to say, but I presume that approximate estimate can be arrived at.

Q. After the completion of the Hoxie contract do your books sh any contract under which the Union Pacific Railroad Company c structed that portion of the line west of the one hundredth meridi until the Oakes Ames contract came into existence?—A. I do not f any.

Q. Then from anything that appears upon the books of the compa in what way or by what arrangement did the company construct the 142 miles of road which was accepted by the Government at the ti the Oakes Ames contract was made?—A. That it would be impossib for me to explain. I know nothing about the transactions at that tim

Q. Look at page 462 of the journal; do you find there an item charg to the Ames contract of $5,606,542.30?—A. I do.

Q. Do you know on what account that charge was made?—A. O from the entry of the journal.

Q. Read the entry?—A.:

	Amount to bala
J. G. Mitchell	$186,401
W. C. Lindsay, cashier	3,509,129
Iron account	1,786,029
N. A. Gesner, agent	125,000
	5,606,542

Q. Can you tell whether that represents the amount that was paid the company, or which it had cost the company to construct the wo that had been done prior to the Oakes Ames contract?—A. No, I ca not. I do not know.

Q. Is there any mode by which that can be ascertained from the books?—A. The only possible way in which it could be ascertained would be by having the parties who kept the books at the time, and who are familiar with all the transactions and entries, to make up the account.

Q. The next contract after the Oakes Ames contract is the Davis contract. What was the cost to the company, according to the books of the company, of building the portion of road which is covered by the Davis contract, pursuant to that contract?—A. The books show a charge to the Davis contract of $26,385,595.94.

Q. And how much is he credited with?—A. $3,068,926.36.

Q. That would seem to leave a balance in favor of the company unpaid, on account of this contract, of $23,000,000. Is that the way the books show it?—A. I don't know how the fact is; it so appears from the books.

Q. Have you had a statement made out by your book-keeper, showing the cost of the construction of this road under these various contracts?—A. I have.

Witness produced the following paper, which was put in evidence:

BOSTON, *January* 18, 1873.

Construction.

Charged to June 30, 1872	$93,518,982 69
Present fiscal year, five months	202,663 54
	93,721,646 23
Credited, same period	5,131,969 11
Balance Dr	88,589,677 12

Memorandum.—The credit is made up in part by amount from—

Hoxie contract	$407,000 00
Central Pacific Railroad Company	2,840,000 00
Atlantic and Pacific Telegraph Company	178,000 00

Ames Contract.

Charged, prior to June, 1870	$59,381,152 26
Difference in account	703 27
	59,381,855 53
Credited	57,633,115 59
Balance Dr	1,748,739 94

Nothing since June, 1870.

Davis Contract.

Charged	$26,385,595 94
Credited	3,068,926 33
Balance Dr	23,316,669 61

Principally prior to January, 1871.

Hoxie contract.

Charged	$12,550,278 [illegible]
Charged August 4, 1869; bills payable	2,000,000 [illegible]
	14,550,278 [illegible]
Credited	14,813,898 [illegible]
Balance Cr	263,620 13

Q. Did your book-keeper make up the statement in reference to the Hoxie contract?—A. He did.

Q. State what has been the whole cost of this railroad to the Union Pacific Company, as shown by the books of the company?—A. $88,589,697.12.

Q. Does this paper which you have put in evidence show, as far as you can gather from the books, the cost of the construction of the whole road under the various contracts?—A. It does.

Q. What amount of first-mortgage bonds were issued by the Union Pacific Railroad Company?—A. $27,237,000.

Q. Has any other class of bonds been issued by the Union Pacific Railroad Company?—A. Yes.

Q. What are they?—A. Land-grant bonds; $10,400,000.

Q. How much of these land-grant bonds have been disposed of?—A. All, I think.

Q. When were they issued?—A. I will furnish the committee with a full statement, showing the amount issued and the amount redeemed.

Q. Do the books show what amount of money the Union Pacific Railroad derived from these first-mortgage bonds?—A. Yes, sir.

Q. State the amount.—A. I will cause to be made up a statement showing the exact amount which the Union Pacific Railroad Company received from its first-mortgage bonds.

Q. What amount did the Union Pacific Railroad Company derive from the sale of Government bonds?—A. I will furnish a statement of that also. It must have realized about their par.

By Mr. SWANN:

Q. I understand that these bonds, whether sold to a large or small amount, were regularly entered in the books of the company?—A. Yes, sir.

By the CHAIRMAN:

Q. Has the Union Pacific Railroad Company any account with the Credit Mobilier of America on its books?—A. It has.

Q. Does the Union Pacific Railroad Company, according to that account, owe the Credit Mobilier anything?—A. It does not.

Q. Turn to that account.—A. [After referring to the books.] The Credit Mobilier stands charged with $992,466.37, as a balance due the Union Pacific Railroad Company. The last entry in that account is May 15, 1872.

Q. How stood that account of the Credit Mobilier with the Union Pacific Railroad Company, on the 4th August, 1869?—A. [After examining the account.] The Credit Mobilier seems to have been in debt to the Union Pacific Railroad Company, on that date, $795,890.89.

Q. Do you know of the officers of the Union Pacific Railroad Company having bought any bonds of other railroads?—A. We have taken bonds of other railroads as collateral security for loans.

Q. To what amount?—A. We have $220,000 of the Utah Southern Railroad bonds.

Q. State the transaction.—A. We furnished the iron and rolling-stock for that road, agreeing to take in return for it the bonds and stock of the company. I think we also have, as collateral, Utah Central Railroad bonds and Colorado Railroad bonds.

Q. To what amounts?—A. I would not undertake to fix the precise amounts.

Q. Will not your books show?—A. Not the books that I have here.

Q. Has there been an actual outlay of money by the Union Pacific Railroad Company on account of those roads?—A. There has been on account of the Utah Central, because the Union Pacific Railroad did not succeed in placing those loans immediately after it furnished the money and materials.

Q. How much money of the Union Pacific Railroad Company is now invested in that way?—A. It is but justice for me to say that it was not money of the company. The money was furnished by the directors of the company.

Q. Which of the directors did it?—A. Nearly all the present board of directors have done it.

Q. Who are the present board?—A. Horace F. Clark, Augustus Schell, James H. Banker, Oliver Ames, John Duff, Elisha Atkins, Oakes Ames, L. P. Morton, R. E. Robbins, James Brooks, G. M. Dodge, Sidney Dillon, C. S. Bushnell, George M. Pullman, F. G. Dexter.

Q. Were those Utah Central bonds furnished during the progress of the work, or after its completion?—A. I think after the completion of the road.

Q. If the directors or officers of the Union Pacific Railroad furnished the money with which to take those bonds, what had the Union Pacific Railroad Company to do with them?—A. They furnished the money to the company, and the company furnished it to the Utah Central Railroad.

Q. So that the company now owes this money to its own directors?—A. Yes, sir.

Q. And the company owns these bonds as its collateral security for the redemption of the money?—A. Yes, sir.

Q. Why was that thing done?—A. For this reason: It was deemed very much to the advantage of the Union Pacific Railroad to have a railroad constructed from Ogden to Salt Lake, and thence further south, as, by that means, they would have direct communication with Salt Lake City by rail, and with the mineral region below in the Utah Valley. All the freight and passenger traffic between the Utah Valley and the East must go over every mile of the Union Pacific Railroad Company.

Q. Is there on the books of the company what is known as an item of special legal expenses?—A. There are on the books of the company legal expenses; there is a legal expense account.

Q. Do you know an item of $125,000 for special legal expenses?—A. I know an item of about that amount, but not exactly that amount.

Q. Do you know what it was for?—A. I think the record which I have here shows it.

Q. Refer to it.—A. At the directors' meeting held in Boston, March 8, 1871, the following resolution was adopted: "*Resolved*, That a committee of three be appointed, to act with the president, to audit, settle, and pay the special legal expenses of the company up to this date." This was at the regular meeting of the board, March 8, 1871.

On the 9th March the president, from the committee, reported standing committees as follows——

Q. Name that committee to settle special legal expenses.—A. Thomas A. Scott, G. M. Dodge, John Duff, Government Director J. F. Wilson. The committee made a report as follows:

"The special committee of the board to which was referred the matter of auditing and paying the special legal expenses of the company, report, that on examination they find the same to amount to the sum of $126,000; and authorize the same to be paid to the secretary of the company as agent of the company for payment.

"G. M. DODGE, *Chairman*.

"BOSTON, *March* 9, 1871."

Q. Were you present at the meeting?—A. Yes, sir.

Q. Was there any statement made of the items of that account?—A. No, sir. I was not present at the meeting of the committee, but I was present at the meeting of the directors.

Q. Was any information given to the directors of the items of which that special legal expense was made up?—A. I did not hear any explanation of it.

Q. Had you any other information or knowledge of what that item consisted?—A. No; I had no knowledge of it.

Q. When that vote was passed did you not ask for any explanation of so large and unusual an item?—A. I was secretary of the company, keeping the records, and it was hardly in my province to ask such a question.

Q. Did no director ask for such information in your hearing, when the vote was passed or when the report was made?—A. No, sir.

Q. And no explanation was given in the board either of the items or the character of that special legal service?—A. No, sir; none that I as member.

Q. Was there any statement made to the board when the services had been rendered?—A. No, sir.

Q. Had you no opinion about it yourself at the time, as to when the legal services had been rendered?—A. The resolution covered all the legal expenses of the company up to that date.

Q. All the special ones; not all the general ones?—A. All the special ones.

Q. You have in your books, I suppose, outside of this one item which the secretary was authorized to pay, the usual accounts with the attorneys of the road?—A. O, yes; when we employ counsel they present their bills and they are charged to legal expenses.

Q. Have you the general legal expense account of that year?—A. Yes.

Q. You have a general expense account of items to counsel for drawing contracts, giving opinions, making arguments, &c.?—A. Yes, sir.

Q. Covering two or three pages?—A. Yes.

Q. And there is an item for special legal expenses?—A. Yes.

Q. You were secretary to the company?—A. Yes, sir.

Q. Who usually paid the legal expenses of the company?—A. The treasurer of the company.

Q. Had you, at any other time, had the duty placed upon you of paying any lawyer of the company?—A. No, sir.

Q. State whether in fact the money was put in your hands for payment, in accordance with the report of the committee?—A. Checks and drafts for the amount of $126,000 were drawn by the treasurer and made payable to my order as secretary. Those check and drafts were

put on my desk for indorsement. I indorsed them and returned them to the treasurer, or his cashier.

Q. Did you make any report of your doings in that respect to the company?—A. Nothing further.

Q. That report of the committee was accepted by the directors?—A. I do not think that a report was ever made to the board of directors. It did not require any further action by the board. It was authorized to audit, settle, and pay.

Q. Why did you return that money to the treasurer?—A. He handed me the checks for indorsement, and asked me to return them.

Q. But the money was placed in your hands for payment?—A. I understood from the board of directors that the disbursement was to be made under the direction of the committee.

Q. Did the committee direct you not to make the payments yourself?—A. The committee did not give me any directions about it, except what is contained in the resolution.

Q. Checks and drafts to that amount were brought to you?—A. Yes; with the request that I would indorse them.

Q. Why did you not pay them, in accordance with the vote, to the persons who were to receive them?—A. I did not know to whom to pay them. I followed the instructions of the committee, as I supposed.

Q. In what way were the instructions of the committee communicated to you, that these checks were to go back to the treasurer, and that you were not to pay the money in person?—A. According to my best recollection some member of the board presented the checks and drafts to me and asked me to indorse them.

Q. What member, according to your best recollection?—A. I should not wish to swear positively. It may have been a member of the committee, or it may have been Mr. Bushnell.

Q. Give us your best recollection who was the person?—A. I will not undertake to fix positively who it was.

Q. Have you a person in your mind as the person with whom you had that transaction?—A. I do not think I have.

Q. Who was the treasurer of the company at that time?—A. John M. S. Williams.

Q. Did you deliver these checks to him?—A. I either delivered them to him, or to his cashier.

Q. Which do you suppose?—A. The balance of probability would be in favor of the cashier, as his desk would be the one to which I would naturally go.

Q. Your desk was in the same room?—A. No, sir.

Q. Do you mean to say to the committee that you have no knowledge, opinion, or belief, as to what was done with that money?—A. I know what was done with the checks and drafts.

Q. What was done with them?—A. They were delivered back by me to the treasurer, or his cashier.

Q. Had you at the time any knowledge, opinion, or belief as to the nature of the expenditure of that $126,000?—A. I suppose it was to pay the special legal expenses of the company.

Q. What class of expenses did you suppose that this included?—A. I do not know that any better description can be given of it than is given in the resolution.

Q. This took place March 9, 1871?—A. Yes.

Q. About five or six days after the legislation of that winter directing the Secretary of the Treasury not to withhold the half of the expenditures for Government transportation?—A. Yes, sir.

Q. Was it not your understanding at that time that that expenditu of $126,000 had something to do with procuring the passage of th act?—A. I supposed that some portion of it might have been for e penses incidentally growing out of that matter. The company employ attorneys here and incurred some expenses.

Q. Ordinarily, when the company has employed counsel, his na appears on the books, and his receipt is filed with the vouchers of t company?—A. Yes, sir.

Q. Did you not understand that the method of conducting this tra action was for the purpose of concealing it?—A. There was no explan tion made to me by any member of the board, and by none of the co mittee, as to the object at all.

Q. You were the responsible officer of the company?—A. Yes, s not responsible for its finances, however.

Q. The directors of the company authorized three of their number make an expenditure of $126,000?—A. Yes.

Q. And that three signed a written report authorizing that amou to be put in your hands to be paid?—A. Yes.

Q. That amount was brought to you in checks and drafts in pursua of that authority?—A. It was.

Q. And you simply put your name on the back of those checks a drafts, and handed them over to another officer of the company at h request?—A. I simply put my name on the back of the checks a returned them.

Q. Did you not understand at the time that that unusual method managing that transaction was adopted so that it should not appear detail on the books of the company like other legal expenses?—A. Th would be the natural inference.

Q. Now, I ask what at the time was your understanding of the char ter of that expenditure that distinguished it from ordinary legal servic such as appear on the books of the company?—A. I cannot answer y any better than I did before.

Q. Had you no opinion at the time of the character of that expen ture?—A. Possibly I had.

Q. Possibly, what was it?—A. I supposed that it was for the spec legal expenses of the company. There was the vote in the board directors that that money should be appropriated, and a report to th effect.

Q. Did you not understand that a greater part of it, if not the whol had been expended in procuring the passing of the act of Congress interfere with the exercise of the discretion of the Secretary of t Treasury?—A. I do not believe it was.

Q. On what do you predicate that opinion?—A. I think that so portion of it may have been used in the employment of some counse and in paying the expenses which would naturally have been incurr in having some action of Congress.

Q. Why did you understand that that transaction was to be conceale There was nothing to be ashamed of in getting a lawyer to argue yo side of the law?—A. Not that I know of. The mode of the transacti was somewhat unusual.

Q. In what particular?—A. In the checks and drafts being ma payable to my order.

Q. You say that you understand that that was done for the purpo of concealing it. Why do you understand that it was desirable to s ceal it?—A. I do not know whether it was desirable to conceal it.

Q. You had some opinion at the time, had you not?—A. I may have had. I do not recollect what my opinion was.

Q. Have you any opinion now?—A. I suppose the parties who made the disbursements did not want all the details known.

Q. Why not?—A. I am sure I do not known.

Q. Who were the parties who made the disbursements?—A. I do not know.

Q. Were you here in the city of Washington during the previous session of Congress?—A. I was.

Q. Who else of the officers of the company were here?—A. Mr. Bushnell, Mr. Duff, Mr. Alley, and Mr. Oakes Ames. Mr. Williams, I think, was also here for a few days.

Q. As far as you understand they were all here on that business?—A. I presume they were. They may have had other business, but they were all interested in the act of 1871.

Q. Have you told the committee all that you know of your own knowledge or by information from other persons connected with that company, with reference to that transaction?—A. Yes, sir; I have told the committee exactly what occurred, as near as I can recollect.

Q. You have no other knowledge or recollection about it except what you have disclosed?—A. No, sir.

By Mr. SLOCUM:

Q. Have you ever heard it intimated from any quarter whether any portion of that money went to a Senator or member of Congress?—A. No, sir.

Q. You never heard such a thing intimated at all?—A. No; I do not think that I ever have.

Q. Has the Union Pacific Railroad Company got a contract with the Pullman Car Company?—A. Yes.

Q. Have you got that contract with you?—A. I think I can produce a copy of it.

Q. What is the nature of that contract?—A. It is substantially the same as the contract the Pullman Car Company has with other roads. I believe it was draughted from the contract with the Pennsylvania Central, and is substantially in the same terms. Their contracts are uniform. They have a printed form, and I think they are substantially the same with all the roads of the country. I have never examined them carefully, but that is my impression.

Q. Do you know who the stockholders in the Pullman Car Company are?—A. No; I cannot say that I do.

Q. Who negotiated the original contract with the Pullman Car Company?—A. I think, originally, there was a sort of Palace Car Company connected with the road.

Q. Was there not a separate palace-car organization that was owned by the stockholders of the Union Pacific Railroad Company?—A. I think there was.

Q. And they sold out to the Pullman Car Company?—A. Yes.

Q. Who were the stockholders in the original Palace Car Company?—A. According to my recollection and best information on the point, the great bulk of the stock was owned by the Union Pacific Railroad Company.

Q. Who were the officers in the first Palace Car Company?—A. I do not know.

Q. Do not the books show anything of the contract between the Union

Pacific Railroad Company and the first Palace Car Company?—A. Yes; the office at home can furnish that information.

Q. You do not know the nature of the contract?—A. No; I should not undertake to swear to the details of the contract.

Q. Do you know any stockholder in the Union Pacific Railroad Company who was a stockholder in the first Palace Car Company?—A. I do not know really who were the stockholders. I never saw any of the stock.

Q. When was the contract which was made by the first Palace Car Company sold to the Pullman Car Company?—A. In 1870.

Q. Who was president of the Union Pacific Railroad Company then?—A. Oliver Ames.

Q. What memorandum have you there?—A. A resolution of the executive committee.

Q. Read it.—A. It is a resolution authorizing the president to sell 2,600 shares of the Pullman Palace Car Company stock for the sum of $400,000 cash, and also authorizing him to execute a contract, which contract might be assigned over to the Pullman Palace Car Company.

Q. It appears that you were secretary at that meeting?—A. Yes, sir.

Q. And you were then secretary of the Union Pacific Railroad Company?—A. Yes.

Q. And you do not know any of the stockholders in the Pullman Palace Car Company?—A. It seems that the Union Pacific Railroad Company owned 2,600 shares.

Q. How many shares were there in all?—A. I do not know what the capital stock was.

(The examination of the witness was here suspended, and Mr. Oakes Ames was called in and examined as follows:)

By Mr. HOAR:

Question. It appears that on the 9th of March, 1871, the board of directors of the Union Pacific Railroad Company appointed a committee with authority to audit an item of $126,000, denominated special legal expenses; do you know what that item was made up of?—Answer. No, sir; I know nothing about it.

Q. Mr. Rollins states that that committee reported authorizing the sum to be paid to the secretary of the company, as agent for the company, for payment, and that all he did about it was to receive a number of checks and drafts from the treasurer, which he indorsed and gave back to the treasurer or cashier; do you know what was done with any of those checks or drafts?—A. No, sir; I do not know anything about them.

Q. Did you know that there was such an item in existence?—A. No, sir.

Q. Neither from personal knowledge nor information?—A. No, sir. I heard that there was money expended to that amount.

Q. For what purpose?—A. I heard, for expenses, or something or another at Washington. I was here at Washington all the time, and did not know anything about it.

Q. Did you hear the amount?—A. No, sir; I did not hear the amount.

Q. Do you know from whom you heard it?—A. No; it was some time after.

By Mr. SLOCUM:

Q. Were you then a director of the company?—A. I do not know whether I was or not.

Q. It was during the month that the law was passed.—A. I was here in Congress. I do not know whether I was then a director or not.

By the CHAIRMAN:

Q. What do you know, if anything, in reference to the payment of $10,000 to Senator Harlan?—A. I do not know anything about it.

Q. Did you ever hear anything about it?—A. I have heard the story.

Q. When did you first hear of it?—A. That I cannot tell you.

Q. Did you ever see the two checks?—A. No, sir; I was not a director of the company, and had nothing to do with it.

Q. Have you ever been a director in the Union Pacific Railroad Company?—A. I am a director now, and have been for nearly two years past.

Q. Do you know anything of these checks being entered on the books of the Union Pacific Railroad Company in any shape or form?—A. No, sir; I never examined the books.

Q. Have you ever heard it discussed in your board at any time?—A. No, sir; it was never discussed in my presence.

Q. Did you ever hear Mr. Durant say anything to Senator Harlan about these checks?—A. Only what I heard him say here.

Q. Is that the first that you ever heard of it?—A. I heard the story, but not from Durant.

Q. From whom did you hear it?—A. I cannot tell you. It was a common report. Some of the newspaper reporters had it here two or three years ago. Mr. Boynton made the statement in some of the newspapers.

Q. Is that the first you heard of it?—A. I do not know whether it was or not. I heard Mr. Durant testify that he gave that amount to Mr. Harlan.

Q. You have no knowledge or information about it other than what you have stated?—A. Only information at other hands.

Q. Information from any other sources than you have named?—A. No, sir.

Q. Did you ever hear Mr. McComb speak of it?—A. No, sir.

Q. Or Mr. Alley?—A. I do not know if I did; I may have heard so.

By Mr. HOAR:

Q. I notice on this book that on the 8th of March, 1871, at the directors' meeting of the Union Pacific Railroad Company in Boston, yourself being present, it was resolved, on motion of Mr. Dodge, that a committee of three be appointed to act with the president to audit, settle, and pay the special legal expenses of the company up to date. Was there no explanation to the board of directors of what that item was?—A. I cannot tell you. There might have been, but I have no recollection of it.

Q. You have no recollection of the transaction?—A. No, sir.

By Mr. SLOCUM:

Q. Did you contribute money to carry the State of Indiana last fall?—A. I contributed money. Mr. Boutwell was out there, and he telegraphed to Mr. Claflin that they must have more money out there, and I contributed $2,000.

Q. Do you know of others connected with the Union Pacific Railroad Company who also contributed?—A. My brother gave $2,000. I do not know of anybody else who gave any. I thought it a good use of the money, and I think so yet.

The examination of E. H. ROLLINS was here resumed, as follows:

By Mr. HOAR:

Question. State, as nearly as you can, the present assets of the Union Pacific Railroad Company, and their value.—Answer. I cannot tell that, with any sort of justice to myself or the company, without a careful examination of the books of the company at Boston. I have not got the data here from which I could make it up.

Q. You are one of the principal officers of the company?—A. I am secretary and treasurer of the company.

Q. You are the legal custodian of the property of the company, so far as it is capable of being in individual custody?—A. I am.

Q. When did you make your last report?—A. There has been no report made since the last annual election. There was no regular report then, but merely a financial exhibit made up.

Q. How long have you been treasurer?—A. Since April 18, 1871. The law calls for a report. That was made and filed at the close of the fiscal year ending 30th June, 1872.

Q. When you succeeded to your predecessor in office I suppose you had some knowledge of the property you came into possession of?—A. Yes; I took a careful inventory of it.

Q. State as far as you can the nature and character of the property you came into possession of.—A. There was on hand Utah Central bonds as collateral security for loans, Utah Southern Railroad bonds, Colorado Central Railroad bonds, Atlantic and Pacific Telegraph stock, and income bonds of the company. That is all that now occurs to me, but it is a very imperfect list.

Q. Had you in the office an account and estimate of the value of the road, its rolling stock and movable property, its depots, &c.?—A. Yes; the number of engines, and all the property of the company can be shown from books of the company.

Q. Have you had no authentic statement made up to within a year which shows the amount of the property of the company on hand and its liabilities?—A. The statement that we make up in our office does not include the operating department of the road.

Q. Is there not in the head office of the company a statement in some authentic form which includes the entire property of the road, as well its operating property as its other resources?—A. The report of the superintendent would show the property.

Q. My question is, have you not in the central office of this great railroad company any authentic statement made up within any time of the past twelve months showing the entire property and its value on one side and its entire liabilities on the other?—A. There is such a report.

Q. Where is it?—A. In the office at Boston.

Q. Is there no copy of it here?—A. Not to my knowledge.

Q. What report is that?—A. The report of the general superintendent.

Q. That relates only to the operating department?—A. Only to the operating department.

Q. Is there not a statement which includes that, or a summary of it, and includes also all the property that is in the hands of the treasurer?—A. No, sir. I have no custody of the property used in operating the road, and in any statement that I make up I never include that.

Q. Does nobody make a statement which includes that?—A. No; I do not think there has been any made; I have no recollection of it.

Q. Is it not usual for some reports to contain these items?—A. I suppose that the report of the superintendent would cover it.

Q. That does not show the debts of the road?—A. The treasurer's statement would show the debts of the road; the report of the superintendent would show the operations on the line of the road, and the report of the treasurer should show the financial operations of the company.

Q. Is there any report which shows the entire financial condition of the company?—A. Not at the present time.

Q. When was the last one made?—A. The last statement was made at the annual meeting in March last.

Q. Did that contain a statement of the financial condition of the company?—A. There was a statement made up then of the financial condition of the company.

Q. Which, so far as you know, is full and accurate?—A. Yes.

Q. Have you a copy of it here?—A. No, sir; but I will furnish it to the committee.

Q. Is that ever reported to the Government?—A. Not in detail.

Q. Are there any of those bonds which you have enumerated which are held as the absolute property of the company?—A. Yes; the Utah Southern bonds are the absolute property of the company, also the income-bonds, and the land-grant bonds, and the Colorado bonds. All the bonds are the absolute property of the company, except the Utah Central bonds.

Q. What is the amount of the Utah Central bonds?—A. Something over $200,000.

Q. That is collateral for a loan, loan and collateral both having now become the property of other parties?—A. Yes; $150,000 of it.

Q. So that, in these Utah Central bonds, or the loan which they secure, the Union Pacific Railroad Company has no property of value now?—A. Only $50,000.

Q. Now take each of the other items of assets which you enumerated and state the value of each as near as you can.—A. Before departing from this Utah Central matter, I should state that the company owns 5,000 shares in the Utah Central Railroad.

Q. Is the Union Pacific Railroad Company still under any responsibility as surety or guarantor for that road?—A. It is.

Q. Is the security good for the loan, as far as you know?—A. A bundant.

Q. So that you do not regard the Union Pacific Railroad Company as under any substantial liability, or as having any substantial property in that transaction?—A. No, sir; only in the stock and loan of $50,000.

Q. The Union Pacific Railroad Company has 5,000 shares of the stock of the Utah Central?—A. Yes.

Q. What is the par of those shares?—A. One hundred.

Q. What is the market-value of those shares?—A. About 50, I suppose.

Q. So that the Union Pacific Railroad Company has how much absolute property in them?—A. About $150,000.

The examination of the witness was suspended and the committee took a recess till half past seven.

In the evening session the examination of E. H. Rollins was continued as follows:

By Mr. HOAR:

Question. You had undertaken to state the amount of property of the

company in the hands of the treasurer, and you had mentioned in the first place some bonds of a Utah railroad, which you said they held only as collateral.—Answer. I want to correct that now, because, on reflection, I am satisfied that I was in error $50,000—that we still have an interest of $50,000 in that loan. There are two notes that we have not parted with.

Q. Are those notes well secured and worth their face?—A. Yes, sir; abundantly.

Q. Then you have as assets $50,000 in bonds of the Utah Central?—A. Yes, sir.

Q. And in the stock of that company you have how much?—A. Five thousand shares of stock, on which we owe just $100,000. It is worth 50 cents a share. The par value is 100.

Q. So that the par value of the five thousand shares makes $500,000?—A. Yes, sir; but it is worth only $250,000. I consider our interest in it worth $150,000. Then we have income-bonds of the Union Pacific Railroad that were included in the issue and that have not been disposed of yet.

Q. What do you mean by income-bonds? How are they secured?—A. They are secured by a pledge of the income of the road to trustees.

Q. Who are those trustees?—A. Benjamin E. Bates. John R. Duff, and F. Gordon Dexter.

Q. How do you make them property of the company?—A. In the statement of indebtedness of the road, the outstanding liabilities of the road, the whole issue of $10,000,000 is included.

Q. How much of those bonds are not yet issued?—A. The company hold eight hundred and eighty of them, or thereabouts. They are $1,000 bonds.

Q. What next?—A. We have got a small amount of Washington County, Nebraska, bonds; I think some $15,000.

Q. Has the county refused to pay those?—A. No; they pay the interest promptly.

Q. How much are they worth?—A. I do not know what they are worth. I don't know why they should not be worth par; but there is no market-value for them that I know of; they have never been for sale within my knowledge. The interest, I think, is 7 per cent. Then we have some Douglas County bonds, two hundred, valued at $200,000.

Q. Do you think they would sell for par?—A. I see no reason why they are not a good investment at par, but I don't suppose that if they were put upon the market they would bring par, though I don't know.

Q. Have you any idea of what their market-value is?—A. No, sir; I have not; but that is the county in which the city of Omaha is situated, and they ought to be good. Then we have two hundred and twenty Utah Southern Railroad bonds; that is, $220,000 worth. Then we have five Omaha bridge bonds; they are worth par, $1,000 each, making $5,000. Then we have some Omaha City bonds, $12,500 worth; those, I think, are a 10 per cent. bond. Then we have some two hundred and forty shares of Atlantic and Pacific Telegraph stock.

Q. That is merely your form of holding your telegraph-line, is it not? You do not regard that as valuable property?—A. The shares in the Atlantic and Pacific Telegraph Company are valuable.

Q. I know; but it is merely a part of the operating stock of your railroad and telegraph company, under your act of incorporation, is it not? It derives its entire value from the income of telegraphing along the road, which is one of your franchises, and that is the mode in which you get your proportion of the profits of the line?—A. No; we had a line

along the road, and an arrangement was made to consolidate that with the Atlantic and Pacific line, they issuing in exchange for it these 24,000 shares of stock in the Atlantic and Pacific Company.

Q. Have you anything else?—A. We have some notes of small amounts. I do not think of anything else of considerable value. Yes, we have also one hundred and ten Colorado Central Railroad bonds—$1,000 bonds. The road is mortgaged for $15,000 a mile, and I think it is a good security for that amount.

Q. Is there anything else?—A. There is an amount of money that we have invested in the construction of the Colorado Central Railroad, the bonds for which are printed, but not executed and delivered; that will amount to between seven and eight hundred thousand dollars; the amount is $774,827.31; that is for material and money advanced for the construction of the Colorado Central.

Q. Is that a debt, or something that you are to receive in stock of the company?—A. Something that we receive in bonds and stock of the company.

Q. Bonds at par and stock at par?—A. No; the bonds we have received were received at 85, I think. This $772,827.31 is what we are still to receive.

Q. Are you to receive it in bonds and stock at the market-value when you receive them, so that you can immediately realize the cash on what you receive, or are you to receive it in the bonds and stock at par?—A. In bonds at 80 or 85, I suppose.

Q. What are those bonds selling at in the market?—A. They are not in the market at all.

Q. What else is there?—A. There has been delivered to the Utah Southern Railroad material to the amount of $213,298.61, which we are to receive in bonds and stock; and the Utah Northern Railroad, $43,345.26. That is all, I believe.

Q. If I have added this up correctly, it amounts, at its par value, to $1,854,000; is that pledged for any debts except so far as it is liable for the general indebtedness of the company?—A. Most of it is pledged as collateral security for the various loans of the directors, and loans for which the directors are personally responsible.

Q. Is it sufficient security for those loans?—A. Well, ultimately we should hope so.

Q. Do you think that if put into the market it would bring $1,200,000, all told?—A. O, yes.

Q. How much do you think it would bring, all told?—A. That would be very difficult for me to say, but it would bring a great deal more than that.

Q. Would it bring $1,500,000?—A. I should think so.

Q. Is that about your estimate of what it would bring?—A. Well, should not undertake to give a close estimate.

Q. I don't know that it is fair to ask you to give an estimate.—A. I don't think it is. It is a kind of property that I could not estimate what it would bring at a forced sale.

Q. You have now stated all the property of the road except what you would call its operating property, which is in the hands of the superintendents?—A. Yes, sir.

Q. What was the net earnings of the company for the last year?—A. For the year closing last December?

Q. Yes.—A. We have not got the corrected earnings for the last month of the year, but as near as I can estimate the net earnings they were in round numbers, $4,000,000.

Q. This 5 per cent. of the Government comes in when the road is completed or comes in at once?—A. When the road is completed.

Q. Is the road yet completed?—A. It has not been recognized by the Government as completed.

Q. Is it claimed by the company that it is completed?—A. We claimed long since that it was completed, and we have endeavored to have the land-patents of the road issued as though it were completed, but the Government has insisted on holding them back as collateral security for the completion of the road.

Q. Of that $4,000,000 net earnings, how much is the claim against the Government for transportation for the past year?—A. I cannot give you the exact figures, but it is a little rising $700,000.

Q. Of which you concede that they are to keep back $350,000, and the Secretary of the Treasury claims the right to keep back the whole?—A. Yes, sir.

Q. Leaving you about $3,300,000 net earnings for the year?—A. Yes, sir, if Governor Boutwell's position were correct.

Q. Is not $4,000,000 a little high for the earnings of last year? Is it not one or two hundred thousand above it?—A. No, sir; I think not.

Q. Will you now give us the debt of the company?—A. The nearest I can come to that is a statement which I have at my room, made up to the 10th of December last. Will that answer your purpose?

Q. We will take that. Of course you would know of any considerable increase in the debt that had taken place since that time?—A. Yes, sir.

By Mr. SHELLABARGER:

Q. You have stated the net earnings at a certain sum. Will you now please state the gross earnings of the road for that same time for which you gave the net earnings.—A. I have to estimate the earnings for December, and for the purpose of answering your question I will estimate them at $700,000. That would make the gross earnings $8,834,754.61.

Q. Please state the items that make up the difference between the net and the gross earnings.—A. Expenses of conducting transportation, motive-power, maintenance of cars, maintenance of way—the track; and then there is on our returns an item of "general expenses," which is not large, but which contains, I suppose, items not included in either of the others. Then each of those items is subdivided and reported upon very much in detail.

Q. What percentage of the gross earnings, as near as you can state in round numbers, is consumed in operating the road?—A. A little more than 50 per cent., I think.

Q. In this statement of the difference between the gross earnings and the net there is not included any interest upon the debts of the company?—A. Not any.

Q. And nothing for the general deterioration of the road, except that which is included in current repairs?—A. That is all.

Q. What is the length of life, as near as is yet ascertained, of rails upon a track such as yours is?—A. I think perhaps seven years.

Q. Your road was completed in 1869. Has there been any considerable amount of new rails put down since your road was first made?—A. Yes; as fast as the rails give evidence of wear so as to be unsafe, old rails are replaced with new ones.

Q. That merely applies to the replacing of an old rail with a new one when it breaks or gives out; but you have never relaid any portion of

your track with new rails?—A. I think they did relay a small portion of the eastern end of the line.

Q. Owing to what fact?—A. Owing to the fact that the track was more worn there than elsewhere by the transportation of materials.

Q. How long was that portion that was relaid?—A. I don't know.

Q. What is the average lifetime of a set of ties, such as those upon your road?—A. Not more than four or five years.

Q. What per cent. per annum would you estimate for the deterioration of the rolling-stock of your road? In other words, how long, on the average, will a supply of rolling-stock last?—A. I should not want to answer that question without further inquiry, but I could easily obtain for the committee reliable information on that point.

By the CHAIRMAN:

Q. I would like to know what were the gross and the net earnings of the year preceding this that you have given us?—A. The year preceding the gross earnings were $7,679,753.11 and the net earnings were $3,616,838.72.

Q. What were they for the year preceding that?—A. The gross earnings were $7,333,961.35 and the net earnings were $3,435,257.09.

Q. Give the gross and the net earnings for the last year up to, but not including, the last month of the year.—A. Gross, $8,134,754.61; net, $3,680,100.36. I wish to supply an omission that I made to-day, when you asked the number of land-grant bonds outstanding. The whole issue was $10,000,000, and the amount outstanding is $9,928,000.

Q. What interest do they bear?—A. Seven per cent. currency.

WASHINGTON, D. C., *January* 21, 1873.

JOHN M. S. WILLIAMS sworn and examined.

By the CHAIRMAN:

Question. Do you know anything of a note for $2,000,000, executed on the 4th of August, 1869, by the Union Pacific Railroad Company?—Answer. I remember that there was such a note for two millions given as part of the balance due to the Credit Mobilier.

Q. What balance was due to the Credit Mobilier at that time?—A. It was an unascertained balance supposed to be about $2,500,000.

Q. Who were present at the time that note was executed?—A. I cannot answer the question; I do not recollect.

Q. Were the books of the Credit Mobilier present at the time the note was executed?—A. I cannot answer; I do not recollect.

Q. To whom was that note made payable?—A. I do not recollect.

Q. Do you know who has possession of that note now?—A. No. I think it was given to Elisha Atkins at that time.

Q. For what purpose was it given to him?—A. It was given to him as collateral for parties who signed the bonds to the State of Pennsylvania, in the suit then pending to collect taxes from the Credit Mobilier.

Q. Does the Union Pacific Railroad Company owe the Credit Mobilier anything in addition to that two millions?—A. I do not know how much it owes. It was supposed to owe the Credit Mobilier at that time an unascertained balance of two and a half millions.

Q. Was there any investigation of accounts at that time, for the purpose of ascertaining whether there was any indebtedness on the part of the Union Pacific Railroad Company to the Credit Mobil er?—A. I do not recollect that there was.

Q. On what account was this two and a half millions due to the Cred
Mobilier from the Union Pacific Railroad Company?—A. I do not
collect.

Q. What dealings had the Union Pacific Railroad Company had wi
the Credit Mobilier?—A. The Credit Mobilier were the contractors f
building the first 247 miles of road. They were also entitled to a co
mission for guaranteeing the Oakes Ames contract.

By Mr. HOAR:

Q. To a commission from whom?—A. From the Union Pacific Ra
road Company.

Q. To whom did the Credit Mobilier guarantee that contract?—A. T
Credit Mobilier guaranteed to the Union Pacific Railroad Company th
funds should should be produced by the seven trustees.

Q. I do not understand how that would make an indebtedness on t
part of the Union Pacific Railroad Company. Mr. Ames agreed to gi
suitable guarantees, did he not?—A. Yes, sir; and the Union Paci
Railroad Company agreed to pay the Credit Mobilier a commission
2½ per cent. I do not know that that was merely for a guarantee;
may have been for an advance of money.

By the CHAIRMAN:

Q. Why should the Credit Mobilier make the guarantee to the Uni
Pacific Railroad Company that those trustees would furnish the fund
—A. I cannot answer. I was opposed to the whole transaction a
was not consulted about it all.

Q. Why should the Union Pacific Railroad Company pay a comm
sion to the Credit Mobilier for the guaranteeing of funds which were
be furnished to somebody else to perform a contract for the Union P
cific Railroad Company?—A. I cannot answer; I had nothing to
with it; I was opposed to the whole transaction.

Q. The Union Pacific Railroad Company did agree to pay 2½ per ce
for that guarantee?—A. To pay 2½ per cent. commission for somethi
I do not understand what. I never did understand it. It was eith
for a guarantee, or for furnishing money. It was for a transaction wh
I was always opposed to. They did not let me into the matter at all.

Q. Do you know what that 2½ per cent. amounted to?—A. No, sir.

Q. Can you state whether that 2½ per cent. entered into this note
all or not?—A. I presume that it entered into the calculations; I
not know.

Q. Had there been any transactions between the Union Pacific Ra
road Company and the Credit Mobilier, other than in connection wi
the Hoxie contract?—A. Only that, and the tripartite agreement.

Q. There had been no other transaction between the two corporation
—A. None that I know of.

Q. This Hoxie contract was completed early in 1867, was it not,
fore the Oakes Ames contract was let at all?—A. Yes, I think so.

Q. And this transaction occurred in 1869, did it not?—A. I do
know.

Q. Can you explain why it was that this $2,000,000, for wh
this note was given, was charged back upon this Hoxie contract, on t
books of the Union Pacific Railroad Company?—A. I cannot. It
done by direction of the auditor.

Q. Had there been anything said, between the early part of 1867 a
the time when this transaction occurred, about the Union Pacific Ra
road Company owing the Credit Mobilier on account of this Hoxie c
tract as much as $2,000,000, or any other sum?—A. It was alw

supposed that the Union Pacific Railroad Company owed the Credit Mobilier a balance. I had no idea what the balance was.

Q. Can you give any further explanation about this million-dollar note than you have given herein?—A. No, sir.

Q. What were your relations to the Union Pacific Railroad Company at the time that two-million-dollar note was given?—A. I was treasurer of the Union Pacific Railroad Company in 1869.

Q. And also a considerable stockholder?—A. Yes.

Q. Did you not understand the transaction at the time?—A. I understood it as I have just stated to the committee, that we owed the Credit Mobilier a balance rising two and a half million dollars.

Q. On what?—A. I had no definite idea on what. I supposed that it was made up of two different matters, one a balance for building the road 247 miles and the other some charge in connection with the Oakes Ames contract.

Q. You say that you were opposed to the transaction of giving that note?—A. No, sir; but to the Oakes Ames contract. I was not consulted in regard to it, and had no connection with it.

Q. Had the stock of the Union Pacific Railroad Company been publicly on the market during those two years?—A. I think not.

Q. None had been sold or bought?—A. No, sir; it had no market-value.

Q. It has been publicly on the market since?—A. Yes; I forget when it was brought upon the market.

Q. When did it begin to have a marketable value?—A. I do not recollect.

Q. Has it a marketable value now?—A. Yes.

Q. How much?—A. Thirty-six dollars a share.

By the CHAIRMAN:

Q. On the 4th of August, 1869, were you an officer of the Credit Mobilier?—A. No, sir.

Q. Were you a stockholder?—A. Yes.

Q. To what extent?—A. Sixty-two thousand dollars.

Q. Was your partner also a stockholder?—A. Yes.

Q. To what extent?—A. Sixty-two thousand five hundred dollars. I had no doubt, at that time, about our owing the Credit Mobilier this money; the basis on which we had that supposition was on the evidence of Mr. Ham, who had charge of the books of the Credit Mobilier.

Q. You took Mr. Ham's statement for it?—A. Yes, sir; he is a very correct man so far as we had any reason to suppose.

Q. He was secretary of the Credit Mobilier at that time?—A. Yes, sir; he had charge of their books.

Q. Is it true that the managers of the Union Pacific Railroad Company took his statement in reference to so large a transaction as this, without having the books before them to investigate it?—A. Yes, sir.

Q. What was the pressing necessity for giving a note of $2,000,000 without having the books of those two companies present, for the purpose of ascertaining whether the money was due or not?—A. The note was given as collateral to those who signed the bond in the Pennsylvania tax-suit; we had to give a personal bond in $600,000 there.

Q. Who gave that bond?—A. Oliver Ames, John Duff, John M. S. Williams, and others, whose names I do not recollect.

Q. Were the other persons who went on that bond persons who were interested in the Credit Mobilier and also in the Union Pacific Railroad Company?—A. Yes, sir.

Q. All of you were interested in both corporations at the time?—A. Yes.

Q. If the obligors on that bond had to pay it, they would have resorted to the note of the Union Pacific Railroad Company, which was given to them as their collateral?—A. Yes; that is, they had that note as collateral.

Q. Why should the Union Pacific Railroad Company give collateral security to persons to secure them against an indebtedness on the part of the Credit Mobilier?—A. The parties becoming personally liable were entitled to a collateral.

Q. But this, as I understand it, was a suit with the State of Pennsylvania, to test the question whether that State could tax dividends made by the trustees of the Credit Mobilier to their stockholders, the State of Pennsylvania claiming that that was in substance and effect dividends of the Credit Mobilier, and taxable there?—A. Yes.

Q. And the Credit Mobilier trustees claiming that it was not a dividend made by the company to its stockholders, but by certain trustees to certain individuals who happened to be stockholders; that was the point in the suit?—A. Yes, sir.

Q. Now, in either event, whether the Credit Mobilier had to treat this as a dividend or not, these men were merely contractors with the Union Pacific Railroad Company, were they not?—A. Yes, sir.

Q. What obligation, therefore, was there on the part of the Union Pacific Railroad Company to save these bond-makers, these obligors, harmless?—A. It was the obligation of the Credit Mobilier to do that.

Q. And not the Union Pacific Railroad Company?—A. The Credit Mobilier gave this collateral. The Union Pacific Railroad Company gave the note to the Credit Mobilier, as part of the amount which it owed to the Credit Mobilier.

Q. Then, your statement of the transaction is, as if you were desiring to give somebody security in some suit, and a person owing you a sum of money, you applied to him to give you a note representing part of that sum, that you might have something to turn to?—A. That was the way with the parties who were managing the Credit Mobilier at that time. I was not in the management.

Q. But had not the contract account between the Credit Mobilier and the Union Pacific Railroad Company been closed on the books before that time?—A. I presume not; it was very difficult to get anything closed.

Q. Did you see that statement which was sent to your company by Mr. Ham, on which you say that note was given?—A. I presume I did. I do not recollect.

Q. Do you recollect what items the statement of account contained?—A. I do not recollect any items.

Q. Where is that account now?—A. I do not know.

Q. Did the company preserve papers of such value?—A. If there was a regular account made it would be preserved, but the company would probably take Mr. Ham's statement that so much was due, without an account.

Q. You are not able to say whether such statement was made?—A. I do not know whether it was or not.

Q. Would a statement like that be likely to be recorded in any books?—A. I do not presume there would be any account of it, except what Mr. Ham might furnish.

Q. But Mr. Ham was an officer of the Credit Mobilier, and was not an officer of the Union Pacific Railroad Company?—A. Yes. But the

Union Pacific Railroad Company only gave a note on an unascertained balance of account.

Q. Do you know how much it was?—A. I suppose it was about two and a half millions.

Q. You say that there was an account sent there by Mr. Ham, and on that account a note was given?—A. I am not certain of that. I also said that we would take Mr. Ham's word for anything of that kind. If he said that the Union Pacific Railroad Company owed the Credit Mobilier that sum of money we would take his word.

Q. Without investigation?—A. Yes.

Q. Although you were an officer of a company whose interests were adverse?—A. We did not consider them adverse.

Q. Were they identical?—A. They were so nearly identical that we did not think there was much difference between them.

By the CHAIRMAN:

Q. Have you in your possession, or under your control, a statement of the affairs of the Credit Mobilier of America up to the 30th September, 1867, and a statement of the cost of the road east of the one hundredth meridian?—A. I presume not. I should not be likely to have.

Q. Do you recollect ever having had any such statement?—A. I think I had some memorandum of such a thing as that.

Q. Do you know what has become of it?—A. I presume Mr. Ham has it in charge, or has had it in charge.

Q. Do I understand you to say that you have no such statement now?—A. I have not. I would not be likely to have. I am entirely out of both companies.

Q. I will read you a letter which was written to you:

"NOVEMBER 15, 1867.

"DEAR SIR: Inclosed herewith I send you a statement of the Credit Mobilier of America up to September 30; also, statement of cost of road east of the one hundredth meridian. I will send you in a day or two statement of what the road has actually cost, being the amount expended both by the Credit Mobilier of America and the Union Pacific Railroad Company.

"B. F. H——.

"JOHN M. S. WILLIAMS, Esq."

Q. Do you recollect receiving any such statement as that?—A. I do not recollect. I probably may have received it.

Q. Have you any papers in your possession or under your control of that character?—A. I do not know that I have. I paid no attention to them for several years; I have had no occasion to use them or refer to them at all.

By Mr. SHELLABARGER:

Q. You were asked by Mr. Hoar about the price of this stock at one time. Please to state when the stock attained its highest price in the stock-market and what that highest price was.—A. I cannot answer that precisely, but my impression is that it was in June, 1870, and $45 a share.

Q. Now it is about $10 a share lower?—A. Yes; it is now 36.

Q. When did it decline?—A. At the time that Mr. Boutwell made that unlawful seizure of the funds of the company it went down to $10 a share.

By the CHAIRMAN:

Q. What official position did you hold in the Credit Mobilier on the 9th March, 1867?—A. None.

Q. Did you hold any official position in the Union Pacific Railroad Company at that time?—A. Yes.

Q. What?—A. Treasurer.

Q. Have you any recollection of a special committee having been appointed for the purpose of settling special legal expenses?—A. Yes.

Q. Look at this record (already in evidence in Mr. Rollins's testimony) and see if it has reference to that transaction?—A. Yes, sir.

Q. Do you recollect that committee having made a report in regard to that matter?—A. No, sir; they did not report to me. They reported to the board.

Q. Did you ever see the report that was made?—A. I do not recollect about that.

Q. Look at this paper, (handing witness the report of the special committee already in evidence.)—A. I think I have seen that paper before.

Q. That is the report of the committee on these special legal expenses?—A. Yes.

Q. What do you know in reference to the payment of that $126,000?—A. I do not know anything about it, except my paying it to Mr. Dodge.

Q. You paid the money to Mr. Dodge?—A. Yes, sir; that is my recollection of it.

Q. What kind of vouchers did you receive from him?—A. I do not recollect.

Q. Where was that money paid to Mr. Dodge?—A. In the office of the Union Pacific Railroad Company, at Boston.

Q. How long after this report was made did you pay that money to Mr. Dodge?—A. I presume it was paid at the same time.

Q. Had you and Mr. Dodge been in Washington shortly before this money was paid to him?—A. Yes, sir.

Q. For what purpose was that money paid to Mr. Dodge?—A. I do not know anything about it, except the resolution.

Q. Have you any information on that subject?—A. None at all. I had nothing to do with the spending of it in any way, form, or shape, and was not consulted.

Q. Did you hear any person say what use that money had been applied to or was to be applied to?—A. Nothing more than the resolution.

Q. Was that matter not talked over?—A. I was not present when it was talked over.

Q. Were you not present when this committee was appointed?—A. I was in another room, and was not advised with nor consulted.

Q. Had you known that that committee was to be appointed?—A. I did not know it until the record showed it. I was not consulted in the matter at all.

Q. How long had you been in Washington at the time you spoke of?—A. I do not recollect. I came here two or three different times to attend the meetings of the directors.

A. You were here shortly before the committee was appointed, when Mr. Dodge was here?—A. Yes, but I was not here on the subject of the Union Pacific Railroad Company.

Q. How long had you remained here?—A. I do not recollect; I came here on another matter. I had nothing to do here with the Union Pacific Railroad matter.

Q. You had something to do with the Credit Mobilier?—A. No, sir; nothing in Washington.

Q. You were at that time treasurer of the Union Pacific Railroad Company?—A. Yes; but I was not here on those matters.

Q. How long were you here shortly before this thing occurred?—A. I do not recollect. I was a few days attending to a claim which finally succeeded in getting through Congress.

Q. Can you give any reason why the special services for which this $126,000 was paid were not specified in some way or other on the books of the company?—A. No, sir.

Q. Do you know of no reason why this matter has been kept in this obscure way, so as not to show to whom the money was paid or for what services it was paid?—A. No; I know of no reason.

Q. Do you not know that it was intended that the books should be so kept as that it should not be known for what purpose this money was expended?—A. No, sir; I know nothing about it. I only know that, as treasurer of the company, I paid the money on the authority of that special committee. I had no responsibility beyond that. I was not consulted or advised with.

Q. And you received no information from any quarter as to what this money was paid for?—A. I did not.

Q. Have you ever heard any person connected either with the Union Pacific Railroad Company or with the Credit Mobilier say for what purpose that money was paid?—A. I have heard hearsay evidence.

Q. From whom did you hear it?—A. I do not know.

Q. What did you hear?—A. I heard that it was spent to keep the bonds of the company from going out of sight.

Q. In what way?—A. To help keep up the market price, and that money was lost in doing it.

Q. Why should that be called special legal expenses?—A. I do not know; I do not know that it was so. I stated that it was only hearsay evidence.

Q. How did you pay it?—A. I don't know.

Q. You say you paid it to Mr. Dodge, I think; did you not pay it in checks or drafts? You did not count out $126,000 in bills, I suppose?—A. I presume I paid it in checks. I suppose I drew checks and got the money and paid it part in bills and part in checks. That is how I presume it was, but I am not sure.

Q. Had you any voucher?—A. I have no doubt there was a voucher.

Q. What sort of a voucher?—A. I presume, Mr. Dodge's receipt and that resolution.

Q. The vote of the committee required you to pay it to the secretary, Mr. Rollins?—A. I think I paid it to Mr. Dodge; that is my impression; he was the man that came to me

Q. Do you recollect how it happened that it was not paid to Mr. Rollins, according to the vote? The vote is that the sum be paid to the secretary, to be by him paid.—A. That I don't know.

Q. Your recollection is that it was paid to Dodge?—A. I suppose it was; he is the only man that comes to my mind distinctly in connection with the transaction.

Q. Mr. Rollins testifies that you or your cashier brought him the checks; that the treasurer or his cashier brought him the checks or drafts, and that he indorsed them, and that they were taken away again.—A. I have no recollection of it. I recollect the general fact of dealing with Mr. Dodge in connection with that $126,000. It might have been in a dozen different ways and I should not remember it. I

was full of care at the time; I had a very hard row to hoe just then, and I used to work at my office every night until 12 o'clock.

By the CHAIRMAN:

Q. At the time you were here, that you have mentioned, was that legislation of 1871 in relation to the Pacific Railroads pending before Congress?—A. Yes, sir.

Q. Were any parties here with reference to that legislation?—A. I think Mr. Dodge was here, and I think Mr. Bushnell was here.

Q. Who else were here looking after that legislation?—A. I do not remember.

Q. Were there not a number of persons who were interested in the Union Pacific Railroad here in Washington, seeking to get that legislation through?—A. I remember only Mr. Dodge and Mr. Bushnell.

Q. Do you recollect Mr. Duff having been here?—A. I do not.

Q. Do you recollect Mr. Rollins being here?—A. I think he was; I forget whether he was here when I was here or not.

Q. Mr. Oakes Ames was at that time a member of Congress?—A. Yes, sir.

Q. Do you recollect Thomas A. Scott being here?—A. I presume he was here; I don't recollect meeting him here.

Q. The ruling or action of the Secretary of the Treasury had had the effect, if I understand you, to knock the stock down?—A. Yes, sir.

Q. How long before this time had the stock thus been prostrated?—A. I do not remember the time when he made that decision.

Q. Do you remember about what the stock was worth at the time we have been referring to, before there was any legislation on the subject by Congress, in 1871, and after the Secretary had made that order?—A. It fell to 10.

Q. Was it worth about 10 at the time those gentlemen were here looking after that legislation?—A. Yes, sir. I do not know whether it had got so low as that at that time, however.

Q. But it was very low?—A. Yes; but I think it was about 20 at that time—from 20 to 10; it varied.

Q. Do you know anything of any arrangements having been made to have no newspaper reports sent out with reference to what was going on here, pending that legislation?—A. No, sir; I do not know anything about it.

Q. Do you know anything of parties having made large purchases of Union Pacific Railroad Company's stock prior to the passage of that bill?—A. No, sir; I don't know anything about it.

Q. Did you ever hear of anything of that sort?—A. Yes, sir; I did.

Q. When?—A. I do not have any distinct recollection of it, only I know it was the talk.

Q. Was it not understood in private circles, among those who were engaged and interested in this matter, that such arrangements had been made?—A. I heard so; I did not know anything about it; I was not in it, and had nothing to do with it.

Q. Did you not hear of money having been paid to newspaper correspondents in order to induce them not to send out any reports from here as to what was going on with reference to that bill?—A. I never heard of it, to my knowledge.

Q. But you did hear that efforts were made to keep the reports from going out?—A. No, sir; I never heard of it.

Q. You understood that there were purchases being made?—A. Yes, sir; I heard that.

Q. But you did not hear about arrangements being made to keep back the reports?—A. No, sir.

Q. What was the effect of the legislation of 1871 upon the price of Union Pacific stock?—A. It went up to about 30.

By Mr. SHELLABARGER:

Q. Did you hear at that time that certain sums of money were paid to newspaper reporters for suppressing news of what was going on?—A. I did not either know anything about it or hear anything about it.

Q. Did you know of members of Congress being invited or induced to buy stock when it was down to 10 cents on the dollar, when that legislation was pending?—A. No, sir, I did not; I was not consulted with reference to anything like that.

Q. You were wholly disconnected from that matter?—A. Yes, sir; I was attending to my own business here at that time, and had nothing to do with the Union Pacific business.

By Mr. HOAR:

Q. I did not exactly understand your statement awhile ago about keeping the bonds up?—A. I stated that I had heard that this money had been used to keep the securities from depreciating.

Q. How?—A. I do not know how.

Q. Do you mean by procuring legislation tending to keep them from depreciating?—A. I don't know, sir.

Q. Who would be likely to know all the facts about the expenditure of that $126,000?—A. Mr. Dodge seemed the head and front of it.

Q. But they would not trust that all to one man?—A. Mr. Dodge and Mr. Bushnell seemed to be the leading minds.

Q. Was Mr. Bushnell in any office then?—A. He was a director.

Q. Who was president at that time?—A. I think it was Oliver Ames.

Q. Was he here during that legislation?—A. I don't remember.

By the CHAIRMAN:

Q. Were you here on Union Pacific business in 1869?—A. Yes, sir.

Q. Were you here on Union Pacific business in 1871, just prior to the time that this committee was appointed on this special legal-service matter?—A. No, sir; but I was in Washington on some private business

By Mr. HOAR:

Q. You were not here at any time during that session on Union Pacific Railroad Company's business?—A. No, sir; I was here on private business.

Q. Were you in the confidence of the principal managers of the Union Pacific Railroad Company at that time?—A. I was not.

By Mr. SHELLABARGER:

Q. Can you give any explanation why there was no entry made on any of the books of the railroad company of that transaction, whereby it would appear what use was made of that money?—A. I can give no explanation of it, sir.

Q. Is it usual in the book-keeping of that company that so large amounts are expended in one transaction?—A. No, sir; it is not.

Q. When there is no entry anywhere to be found showing how it was expended?—A. There was no other such large amount entered at any time; therefore, there is no "usual" about it.

Q. Was it usual, then, to have expenditures of any considerable

amount made by the Union Pacific Railroad Company, without there being any book or paper to show what use was made of it?—A. I have no doubt there was a voucher for this, as in all other cases of expenditure of money.

Q. Was there any voucher explaining where the money was expended, and for what purpose, and by whom paid?—A. I presume not; I presume no voucher explains for what purpose; the voucher would be the authority of that committee's report that was read, with the resolution.

Q. Were the affairs of that company transacted usually and habitually in such a way as that a mere receipt from one officer of the railroad company to another officer of the railroad company, without showing anything about what the money was used for, or any items at all, was treated as a good voucher for so large a sum or for any considerable sum of money?—A. That of itself would not be; but with the authority of the executive committee it would be.

Q. Did not that executive committee, in all their affairs, preserve some account, either in books or otherwise, showing how they disposed of the money of the Union Pacific Railroad Company?—A. I don't know whether there were other cases or not; there might have been; it would have been reasonable to have had them.

Q. Cases where there was no indication furnished by any existing paper or book of what was done with the money?—A. I don't know of any cases; none come to my mind; but the authority of the executive committee was sufficient for the treasurer.

Q. I am not trying to get at the question whether you did right or wrong; that is not the point at all; what I want to get at is, whether this transaction, which fails to show any use to which that money was applied, except that it was for "special legal expenses," was in accordance with the practice and the book-keeping of the Union Pacific Railroad Company, or whether it was unusual and exceptional?—A. I should say that it was so different from any other payments that it would be difficult to place it under either of your heads.

WASHINGTON, D. C., *January* 22, 1873.

Testimony of E. H. ROLLINS continued.

By Mr. HOAR:

Question. State in detail the indebtedness of the Union Pacific Railroad Company so far as you know it.—A. I have with me a statement of the indebtedness of the company on December 10, 1872, which is the latest statement that has been made up. It was made up for the directors at that time. The footing is as follows:

Currency	$1,412,643 3
Gold	120,000 0

Q. That is what you call your current indebtedness as distinguished from your funded indebtedness?—A. Yes, sir. The detailed statement is as follows:

A.—*Statement of notes payable December* 10, 1872.

NOTES DUE IN DECEMBER.

June 10.	———, 6 months, G. T. M. Davis, due December 10 to 13	$11,593 01	
Sept. 2.	No. 1337, 3 months, L. P. Morton, due December 2 to 5	25,000 00	(Paid.)
Oct. 2.	No. 1371, 60 days, Oliver Ames, due December 1 to 4.	15,000 00	
Oct. 2.	No. 1372, 60 days, Oliver Ames, due December 1 to 4.	10,000 00	

Oct. 1.	No. 1373, 60 days, John Duff, due December 3	$25,000 00	
Oct. 1.	No. 1374, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1375, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1376, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1377, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1378, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1379, 60 days, John Duff, due December 3	25,000 00	
Oct. 1.	No. 1381, 60 days, John Duff, due December 3	18,849 95	
Oct. 26.	No. 1257, 60 days, Oliver Ames, due December 25 to 28	10,000 00	
Oct. 28.	No. 1258, 60 days, Oliver Ames, due December 27 to 30	10,000 00	
Oct. 26.	No. 1260, 60 days, Oliver Ames, due December 25 to 28	10,000 00	
Oct. 25.	No. 1385, 60 days, E. Atkins & Co., due December 24 to 27	10,000 00	
Oct. 23.	No. 1386, 60 days, E. Atkins & Co., due December 22 to 25	5,000 00	
Sept. 2.	No. 1336, 3 months, Sidney Dillon, due December 2 to 5	10,000 00	
Sept. 2.	No. 1340, 3 months, Augustus Schell, due December 2 to 5	25,000 00	Deducted at foot.
		25,000 00	
			$350,442 96

NOTES DUE IN JANUARY.

Oct. 5.	——, 3 months, Harris & Foster, due January 5 to 8	10,888 47	
Nov. 14.	No. 1415, 60 days, Joliet Iron and Steel Company, due January 18 to 21	11,000 00	
Nov. 14.	No. 1416, 60 days, Joliet Iron and Steel Company, due January 18 to 21	11,000 00	
Nov. 14.	No. 1417, 60 days, Joliet Iron and Steel Company, due January 18 to 21	11,000 00	
Nov. 14.	No. 1418, 60 days, Joliet Iron and Steel Company, due January 18 to 21	11,047 22	
Nov. 11.	——, 70 days, Harris & Foster, due January 20 to 23.	10,514 68	
Sept. 9.	No. 1252, 4 months, Oliver Ames, due January 9 to 12.	10,000 00	
			75,450 37

NOTES DUE IN FEBRUARY.

Oct. 1.	No. 1366, 4 months, Oliver Ames, due February 1 to 4.	25,000 00	
Oct. 1.	No. 1367, 4 months, Oliver Ames, due February 1 to 4.	25,000 00	
Oct. 1.	No. 1368, 4 months, Oliver Ames, due February 1 to 4.	25,000 00	
Oct. 1.	No. 1380, 4 months, Oliver Ames, due February 1 to 4.	10,000 00	
Oct. 11.	No. 1254, 4 months, Oliver Ames, due February 11 to 14	15,000 00	
Nov. 30.	No. 1391, 60 days, G. M. Pullman, due February 1	25,000 00	
Nov. 30.	No. 1392, 60 days, G. M. Pullman, due February 1	25,000 00	
Nov. 30.	No. 1393, 60 days, G. M. Pullman, due February 1	20,000 00	
Nov. 30.	No. 1400, 60 days, Oakes Ames, due February 1	10,000 00	
Dec. 3.	No. 1401, 60 days, Oakes Ames, due February 1 to 4.	25,000 00	
Dec. 2.	No. 1405, 60 days, Oakes Ames, due February 3	25,000 00	
Nov. 30.	No. 1408, 60 days, Oakes Ames, due February 1	10,000 00	
Nov. 30.	No. 1394, 60 days, H. F. Clark, due February 1	25,000 00	
Dec. 2.	No. 1395, 60 days, H. F. Clark, due February 1	25,000 00	
Dec. 3.	No. 1396, 60 days, H. F. Clark, due February 1 to 4	20,000 00	
Nov. 30.	No. 1397, 60 days, Augustus Schell, due February 1	25,000 00	
Dec. 2.	No. 1398, 60 days, Augustus Schell, due February 3	25,000 00	
Dec. 3.	No. 1399, 60 days, Augustus Schell, due February 1 to 4	20,000 00	
Nov. 30.	No. 1402, 60 days, J. H. Barker, due February 1	25,000 00	
Dec. 2.	No. 1403, 60 days, J. H. Barker, due February 1	25,000 00	
Dec. 2.	No. 1407, 60 days, L. P. Morton, due February 1	25,000 00	
Dec. 3.	No. 1419, 60 days, F. G. Dexter, due February 2	25,000 00	
Dec. 3.	No. 1423, 60 days, S. Dillon, due February 2	25,000 00	
Dec. 5.	No. 1424, 60 days, S. Dillon, due February 4	25,000 00	
Dec. 4.	No. 1425, 60 days, S. Dillon, due February 3	20,000 00	
Dec. 3.	No. 1414, 60 days, L. P. Morton, due February 4	25,000 00	
Dec. 3.	No. 1413, 60 days, L. P. Morton, due February 4	20,000 00	
Dec. 5.	No. 1427, 2 months, John Duff, due February 5 to 8.	25,000 00	
Dec. 3.	No. 1404, 60 days, J. H. Barker, due February 1 to 4.	20,000 00	
			640,000 00

NOTES DUE IN MARCH.

Nov. 1.	No. 1382, 4 months, Oliver Ames, due March 1 to 4..	$20,000 00	
Nov. 4.	No. 1383, 4 months, Oliver Ames, due March 4 to 7..	30,000 00	
Nov. 16.	No. 1388, 4 months, Oliver Ames, due March 16 to 19.	26,000 00	
Nov. 16.	No. 1389, 4 months, Oliver Ames, due March 16 to 19.	20,000 00	
Nov. 16.	No. 1390, 4 months, Oliver Ames, due March 16 to 19.	26,000 00	
Nov. 30.	No. 1421, 3 months, L. P. Morton, due March 3.....	25,000 00	
			$147,000 00

NOTES DUE IN APRIL.

Dec. 3.	No. 1409, 4 months, Oliver Ames, due April 3 to 6...	25,000 00	
Nov. 30.	No. 1410, 4 months, Oliver Ames, due April 2.....	25,000 00	
Dec. 3.	No. 1411, 4 months, Oliver Ames, due April 3 to 6...	5,000 00	
Dec. 3.	No. 1412, 4 months, Oliver Ames, due April 3 to 6...	25,000 00	
Dec. 3.	No. 1428, 4 months, F. G. Dexter, due April 3 to 6...	30,000 00	
			110,000 00

DEMAND NOTES.

1871.			
Dec. 14.	Demand No. 1138, Oliver Ames.....	19,875 00	
Aug. 27.	No. 1313, 60 days, John Duff, trustee.....	50,000 00	
Nov. 1.	Demand No. 1387, Oliver Ames.....	19,875 00	
			89,750 00

Total notes out December 10, 1872.....	1,412,663 33
Deduct two notes Nos. 1336 and 1340.....	50,000 00
	1,362,663 33
Call loan due Bank of Commerce.....	50,000 00
	1,412,663 33

Due January 17.....	£40,000
Due January 17.....	40,000
Due January 30.....	40,000
	120,000

Q. Is that all the indebtedness of the company so far as you are aware, except its indebtedness for current expenses, such as salaries, wages, repair-accounts, &c.?—A. And the $2,000,000 note.

Q. That is a statement of all the current indebtedness of the company except that growing out of the operating expenses for the year, and the $2,000,000 note?—A. And the interest on the funded debt.

Q. Be good enough to state the funded indebtedness of the company.—A. The first-mortgage 6 per cent. gold bonds, interest and principal both payable in gold..... $27,237,000

Land grant bonds, 7 per cent. currency.....		8,928,000
(The original issue was $10,400,000.)		
Income-bonds 10 per cent. currency.....		10,000,000
Government subsidy bonds.....		27,236,320
Interest paid by the United States.....	$6,981,752 49	
Interest repaid by transportation of mails, &c.....	2,296,875 90	
Balance of interest unpaid.....		4,684,876 59
Interest due and not yet paid.....		817,095 24

Then there are Omaha-Bridge bonds issued under special act of Congress. The company is liable for the interest on these if the earnings from the bridge do not pay it. The original issue was $2,500,000, and the amount at present outstanding is $2,462,000. The interest is 8 per cent. in gold.

Q. Has the interest been paid from the tolls collected on the bridge?—A. It has been paid by the Union Pacific Railroad Company, but has been repaid by the bridge company. The account has not been made up accurately as between the bridge company and the Union Pacific Railroad Company.

Q. Do you regard the railroad company's security on these bonds as ample and sufficient?—A. Yes; I think that the earnings of the bridge are ample to pay the interest on the bonds.

Q. Is that prospective, or do you speak of the present earnings?—A. I think its actual earnings would pay the interest now.

Q. Has it done so in the past?—A. I think it has.

Q. What is the Omaha bridge?—A. It is a bridge over the Missouri River between Council Bluffs and Omaha.

Q. Where the railroad bridge and a public bridge are combined?—A. The design is to use it as a bridge for the public. The bridge company transports passengers over the bridge in street-cars, small cars with a dummy engine; and they propose to plank the bridge so that teams may pass over it.

Q. Does not the railroad cross the river by this same bridge?—A. Yes. That is, we receive the freight and passengers from the eastern roads. They are transported over the bridge, and all business between the East and West is transported over that bridge.

Q. Are there any arrears of interest unpaid on your first-mortgage bonds?—A. Yes, sir.

Q. Have you cash enough in the treasury to meet all the interest not paid at maturity?—A. No, sir.

Q. State about how much there is of interest overdue and not paid.—A. I cannot do so without examining the books.

Q. Then, according to your estimate, if I have footed it correct, the indebtedness of the company, not including arrears of interest on the first-mortgage bonds, is $78,903,083. Is there any other obligation of the road which you have not stated?—A. I think not.

Q. You have not included in that enumeration any claim of the Government for interest on the interest paid on the bonds, supposing that such a claim exists?—A. No, sir.

Q. The claim of the company is, as you understand it, that the Government is to receive, at the maturity of the bonds, with the exception of the 5 per cent. and the half of the sum paid for transportation, the capital of the bonds and simple interest, but no compound interest?—A. I suppose that would be our construction of it. The question has never been raised as to whether it is to be computed at simple interest or compound interest. I do not feel authorized to speak as to the position of the company on that point.

Q. Has the Government received any portion of the 5 per cent. of net profits which it was to have in a certain contingency?—A. It has not. The Government has never recognized the road as completed.

Q. Do you regard it as very greatly to the interest of the company that the Government should recognize the road as completed?—A. That is a pretty nice question.

Q. What is your answer to it?—A. I should be in favor of its being recognized.

Q. I ask you whether you regard it as greatly to the interest of the company that it should be?—A. Not greatly; but I regard it as for the interest of the company.

Q. Do you know of any official statement of the Government position

as to what amount of money should yet be expended to make the road complete?—A. Yes, sir.

Q. Where is it?—A. In the Interior Department.

Q. In what form?—A. It consists, I think, of the report of five eminent citizens appointed under the law of 1869.

Q. What amount of money do they represent as necessary to complete the road according to their claim?—A. $1,586,100.

Q. I have omitted one item of your assets, I think, and that is the amount of public lands which you have received and disposed of, and the amount of public lands which you have yet to receive, supposing that you comply with the conditions of the act of Congress.—A. I suppose there are upwards of 11,000,000 of acres yet unsold to which we are entitled under the law.

Q. Are not these 11,000,000 acres the least valuable portion of the public lands to which the Union Pacific Railroad Company is entitled under the act of Congress, being situated in the barren portions of your route?—A. I think not. There is a good deal of very valuable land yet undisposed of on the eastern end of the route.

Q. Do these land-grant bonds entitle the holders of them to receive a certain portion of the lands absolutely, or are they bonds by which you have undertaken to create a security or lien on the lands?—A. They have undertaken to mortgage the lands to the bond-holders, and the bonds are redeemable in land. The owner of a bond can purchase land with the bond at the valuation.

Q. What is the valuation?—A. The value is fixed by the company. Up to the 1st of January, 1873, the whole number of acres sold was 651,598.54 acres. The average price per acre was 4.25\frac{5}{100}$. The number of purchasers 3,814, and the total amount of sales is $2,857,554.90. The amount of contracts outstanding on that day for land sold was $1,466,453.59. That money, when collected, will be used for the redemption of additional bonds.

Q. In your judgment, can the road go through next year and meet its obligations in the course of business without assistance from outside credit?

The WITNESS. What do you mean by outside credit?

Mr. HOAR. I mean any credit other than that of the corporation itself.

A. I think the road will need, to carry it through next year, with its present floating debt, the same assistance that it has had in the past.

Q. What do you mean by the same assistance?—A. The loans of the directors or other parties.

Q. To what extent?—A. To the extent of the present floating indebtedness.

Q. About how much in round numbers?—A. Probably something over $2,000,000.

Q. You do not understand that the directors are under any legal obligation to extend to the company that assistance?—A. No, sir; I do not.

Q. If that obligation should be withheld, either by the death of these directors or by any change of purpose, then you think the company would fail and become insolvent, do you?—A. I do not. I think the road can now earn money enough to pay its running expenses and the interest on its funded debt.

By Mr. SLOCUM:

Q. Do you mean the interest on all its funded debt?—A. Yes, sir; and

mating as receipts the moiety which we now receive from the Government, the half of the earnings for Government transportation.

By Mr. HOAR:

Q. But it could not do it if the Government should withhold the other moiety?—A. No; I do not think it could at present, and still it might be able to do it; it is very difficult to determine.

Q. Is your road in a condition in which the diminution of its revenues to an amount of some $400,000 or $500,000 by the Government withholding the other half of its charges for transportation, and the withholding of outside aid to the extent of $2,000,000 by the directors, would cause it to become bankrupt?—A. I do not know whether the money could be borrowed on the credit of the company; it might be very difficult and very expensive; but I should hardly like to swear that the company would become bankrupt, because a more skillful treasurer, a better financial man than myself, might be able to borrow the money.

Q. Your judgment is that it would require a more skillful treasurer than yourself to manage it?—A. I mean to say that a more skillful financier might borrow the money at a better rate.

Q. Do you see any way yourself to do it?—A. In the present condition of the money market of the country it would be very difficult.

Q. In round numbers how much has the floating debt increased since the 10th of December, 1872?—A. About half a million, to pay coupons on first-mortgage bonds maturing January 1. The floating debt of the company had been reduced half a million from current earnings just prior to the date of the statement, so that during two months the debt was not increased, while a considerable saving of interest was effected.

Q. No more?—A. I think not.

By the CHAIRMAN:

Q. State how much of this indebtedness of which you have furnished a statement is now in overdue notes.—A. A very small proportion of it, which has never been presented.

Mr. HOAR. If Mr. Rollins desires, on reflection, to add any explanation to these answers, he will be permitted to do so within a reasonable time.

By Mr. SWANN:

Q. State whether it has been the habit of the company to put aside a sinking-fund for the renewal of the iron of the road?—A. No, sir.

Q. What is your estimate of the length of time that rails will last on a road of that character?—A. I suppose from seven to ten years.

Q. Are you in the habit of putting aside a fund for the purpose of reproducing the rail at the expiration of that time?—A. No, sir; we put in a very large number of ties every year; as fast as the ties wear out we replace them; that is part of the operating expenses of the road.

Q. But you have not done that with reference to the rails?—A. Yes; the same course is pursued with reference to the rails; we have no fund set apart, but as fast as the rails wear out we replace them with new iron.

Q. But still you have no sinking-fund provided in case the receipts of the road do not enable the company to renew the iron?—A. No, sir.

Q. Do you not think that that ought to be a charge on the net profits?—A. We have only deducted for such iron as we replaced last year.

Q. What would be a fair estimate of the cost of the iron required to

relay the entire line of the road?—A. Iron is worth from $85 to $90 a ton.

Q. What would be the cost of that iron in money at the present rates for the whole road?—A. I have not the data here; I will supply it.

Q. So that the net proceeds of the road are the net proceeds less the sinking-fund, which you ought to provide?—A. Yes; if current repairs do not equal depreciation.

Q. Did you say that you had in the employment of the company permanent counsel?—A. Yes, sir.

Q. Who are the permanent counsel of the company?—A. We employ as counsel, at Boston, Mr. Sidney Bartlett.

Q. How much does the company pay him?—A. At the commencement of the year we give him a general retainer of $1,000, and then we pay him, from time to time, according to the services rendered. He has no fixed salary.

Q. What is the average of those salaries which you have paid to the permanent counsel employed by the company?—A. I should think about $5,000 a year.

Q. What others have you employed?—A. A. J. Poppleton, at Omaha, Nebraska. He has been our counsel for some years. I think we pay him $10,000 a year; he devoting all his time to the interests of the road. He has an assistant who receives, I think, $3,000 a year.

Q. What other counsel have you?—A. We have counsel in New York who are attending some special cases there, among others the famous Fisk suit. It is the firm of Emmett, Hammond & Pomeroy. They charge for services rendered.

Q. What is the aggregate that you have paid them in a single year?—A. (Referring to the book.) The entries are so made that I cannot tell what their services would amount to, but I think it would be about $5,000, or perhaps more.

Q. As nearly as you can guess it would be about $5,000 a year?—A. Yes; I think it would amount to that.

A. And not to any more than that?—A. Probably not.

Q. Who else besides these counsel are regularly employed by the company?—A. I do not think we have any others.

Q. I understood you to say that the counsel employed in Washington, or who received that amount of $126,000, were outside of the regular counsel of the company. They had nothing to do with the routine of the company's business?—A. I do not know to whom the money was paid. I do not know that any of the money was paid to the regular counsel of the company. I think it was not.

Q. This was an outside operation?—A. Yes, sir; I think so; outside of the regular counsel of the company.

Q. And you know nothing about that transaction at all?—A. No, sir.

Q. It did not pass under your supervision, except in the way you have stated, merely to transfer the money to others?—A. No, sir.

Q. Do you know what was done with that money?—A. No, sir.

Q. The money amounted to $126,000, and it does not appear in any shape or form on the books of the company?—A. No, sir.

Q. It was used in outside transactions of which you know nothing!—A. I know nothing.

Q. And you do not know that the gentlemen who received that money were here in Washington?—A. No, sir; I do not know who received it.

Q. And there is not the stroke of a pen on the books of the company

for any part of this $126,000?—A. There is a general entry on the books of the $126,000. That is all.

Q. Have you a general superintendent on the line of this road?—A. Yes.

Q. When he submits his reports he gives you a schedule and account of the rolling-stock?—A. I think so.

Q. Everything relating to the general transportation of the road?—A. Yes.

Q. You are in the habit of acting on these reports on the disbursements made from month to month, growing out of transportation. When cars want repairs the disbursements are made on the estimates of the general superintendent?—A. The disbursements for that purpose are made on the line of the road.

Q. By whom?—A. By the disbursing-officer at Omaha.

Q. Who is he?—A. N. Shelton, who is called the cashier.

Q. Is he an engineer?—A. No, sir.

Q. How does he know the accuracy of these demands made upon him by the general superintendent?—A. If a car breaks down it is taken to the shops and repaired by our ordinary force.

Q. Under the report of somebody?—A. Yes, sir; of the man who has charge of the car department.

Q. The matter of transportation is under the general supervision of a general superintendent?—A. Certainly.

Q. I want to know how these disbursements for repairs are made; whether on the order of the chief engineer or of the general superintendent; and, if under the order of the general superintendent, whether those estimates are sanctioned by the chief engineer or any other officer?—A. The ordinary repairs of cars and engines are all made in our shops on the line of the road at various points. The men working in them are on the pay-rolls, and the pay-rolls are made up monthly.

Q. Who makes up those pay-rolls?—A. We have clerks for that purpose under the supervision of the chiefs of each department.

Q. It is under the control of the division engineers?—A. The car department would be under the control of the chief of that department; and the locomotive department under the control of the chief of that department. Then the vouchers go to the auditor, who carefully examines the whole. No payment of money is made save on vouchers approved by the auditor after careful examination; and even the check for the payment of the money is approved by the auditor. The bills for materials purchased are all audited at Omaha, and a draft is made on the treasurer at Boston in favor of the party from whom the purchase is made, countersigned by the auditor.

Q. The cross-ties are a part of the expense account?—A. Yes, sir; all supplies.

Q. They are supplied as needed, along the line, from time to time?—A. Yes.

Q. And I understand you to say that the iron is not?—A. All iron supplied is supplied in the same way.

Q. But there is no general iron account providing for the renewal of the rail?—A. No, sir.

Q. So that I understand you to admit that that would be a fair deduction from the next returns?—A. If, for instance, the life of a rail is ten years, and we do not replace in a given year to the extent of 10 per cent. of the iron, the difference between what we do supply and that 10 per cent. would be a fair deduction from the net receipts.

Q. And you have not made that deduction in the exhibit which you

have made?—A. No; I have not made an estimate. I do not know whether we have supplied 10 per cent. or not.

By the CHAIRMAN:

Q. Have you had any special attorneys outside of those whom you have denominated as the regular attorneys of the company?—A. Yes; we have employed various attorneys at various times.

Q. Have you ever employed any person who was, at the time of his employment, a member of Congress or a Senator of the United States?—A. I should have no means of knowing except by looking at the books and seeing to whom money was paid.

Q. If you have paid money on account of attorneys' fees, will the books of the company show it?—A. Yes, sir.

Q. Have you the books [illegible] that will show such a showing?—A. Yes, sir.

Q. Turn to them and see.—A. (After referring to the ledger.) I find a payment on the 2d of December, 1869, to Benjamin F. Butler of $3,000, and on March 4, 1871, a payment to J. A. Jenckes of $4,500. I think Mr. Jenckes left Congress that same day.

Q. Did you find any others?—A. No, sir.

Q. For what service was that $3,000 paid to General Butler?—A. I do not know, only as I gather from the records and from information that I have received from the directors. I learned that he was employed as counsel in New York; I think about the time that the controversy was commenced in the board of directors.

Q. You mean at the time that there was a controversy between the two different boards of directors?—A. Yes.

Q. A controversey as to the control of the road?—A. Yes, that was what I understood.

Q. What service did Mr. Jenckes render for the company?—A. That I do not know.

Q. State your best information on the subject.—A. From my best information I should say that it was for services rendered in connection with the Durant and Hazard suit in the State of Rhode Island. I understood that he was employed in that case.

Q. That was a controversy in the courts of that State?—A. Yes, sir.

Q. Do you know of any member of Congress or Senator having been employed as counselor for the Union Pacific Railroad Company?—A. No, I do not.

Q. Do you know of any other sums of money having been paid to persons who were members or Senators?—A. I do not know of any Senator or member of Congress who received one dollar except the parties whom I have named.

Q. Do you know of any bonds or stock having been transferred to any member or Senator?—A. No, sir.

By Mr. SLOCUM:

Q. Do you know of the Union Pacific Railroad Company ever having paid anything to the Government directors?—A. No, sir; except their legal expenses.

Q. Has not the company ever paid any regular salary to any of these directors?—A. Not to my knowledge, not since I have been connected with the company. The Government directors are paid a *per diem* and traveling expenses, and at each meeting of the board they make out their bills and are paid by the company.

By the CHAIRMAN:

Q. Do you know of any money having been paid to any officer of the Government for the purpose of securing the acceptance of any portion of this road by the Government?—A. I do not.

Q. Have you any information of any moneys having been paid on that account?—A. No, sir; only the information that I got from the newspapers.

By Mr. SWANN:

Q. Had Mr. Brooks any connection with that firm of lawyers you have spoken of?—A. Not that I am aware of. I do not believe that Mr. Brooks is a lawyer.

Q. Do you know of any moneys having been paid to him?—A. I do not.

Q. With the exception of the gentlemen that you have named, there was nobody else connected with the permanent law corps of the company?—A. No; no other occurs to me.

The CHAIRMAN directed the witness to furnish to the committee the documents and information required in the following statement:

1. Annual list of stockholders on which elections are held.
2. An accurate statement of cost of road to Union Pacific Railroad Company.
3. An accurate statement of the amount paid under each contract.
4. An accurate statement of the amount expended west of the one hundredth meridian up to the date of the assignment of the Oakes Ames contract, October 17, 1867.
5. Cost of 138 miles west of the one hundredth meridian as accepted by the Government.
6. All the estimates of engineers as to cost of construction.
7. Also a full and detailed statement of the present indebtedness of the Union Pacific Railroad Company, including income-bonds, land-grant, Government, and first-mortgage bonds, stock, and floating indebtedness.
8. Also the full amount realized from sales of Government bonds, and dates of sales thereof.
9. Also the full amount realized from sales of first-mortgage bonds, and dates of sales thereof.
10. Full amount of assets of the company, exclusive of road, rolling-stock, &c., used in operating, &c.
11. The original issue of stock, date, and persons to whom issued, &c.

The witness, under the permission given by the committee, revised his testimony, and proposed to alter it in the following particulars:

To the question, "Have you cash enough in the treasury to meet all the interest not paid at maturity?" he proposed to make the answer read: "No, sir; but current receipts for business will pay it."

To the question, "You do not understand that the directors are under any legal obligation to extend to the company that assistance?" he proposed to make the answer read: "No, sir; I do not think that they are legally bound to make themselves personally liable for the debts of the corporation."

To the question, "If that obligation should be withheld, either by the death of those directors or by any change of purpose, then you think the company would fail and become insolvent, do you?" he proposed to make the answer read: "I do not. I think the road can now earn money enough to pay its running expenses and the interest on its funded debt. Its earnings have largely increased, and I believe that the

receipts for the current year will amount to, say, $10,000,000, which will, if there is no hostile action on the part of the Government, firmly establish its credit, and enable it to pay the interest on its funded debt, and reduce materially its floating liabilities, so that hereafter it can go forward without difficulty."

To the question as to whether the road was in such a condition that the withholding of the earnings for Government transportation would cause it to become bankrupt, he proposed to make the answer read: "I do not know whether the money could be borrowed on the credit of the company. It might be very difficult and very expensive. But I should hardly like to swear that the company would become bankrupt under any circumstances." Also, to strike out the rest of the answer to that question; also, to strike out the question and answer immediately succeeding.

To the question, "In round numbers how much has the floating debt increased since the 10th of December, 1872?" he proposed to make the answer read: "About half a million, to pay coupons on first-mortgage bonds maturing January 1st. The floating debt of the company had been reduced half a million from current earnings just prior to the date of the statement, so that during two months the debt was not increased, while a considerable saving of interest was effected."

WASHINGTON, D. C., *January* 22, 1873.

WILLIAM B. SHAW sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Washington City.

Q. How long have you been residing here?—A. Twenty-two years.

Q. What is your occupation?—A. Newspaper correspondent.

Q. How long have you been engaged in that business?—A. Ever since I came to Washington.

Q. You were here during the spring of 1871, when the legislation was pending with reference to the Union Pacific Railroad Company?—A. Yes, sir.

Q. Do you recollect the circumstance of the Secretary of the Treasury having taken some steps looking to the withholding from the Union Pacific Railroad Company certain moneys on account of transportation?—A. Yes; I was aware of that fact before anybody else.

Q. How did you ascertain that fact?—A. From the Secretary himself. I went up to see Secretary Boutwell, and while in there, I saw lying on his table a statement of the public debt, and I saw a statement particularly in reference to the Pacific Railroads, showing an indebtedness of between six and seven millions of dollars. He was looking particularly at it, and I inferred from that that he had his mind made up about that interest question; and inasmuch as I was interested in it, I asked him what he was going to do about it. Said he, "What do you want to know for?" "Mr. Secretary," said I, "I am going to be frank with you. I have some of the bonds and stock, and if you are going to take any steps to collect this interest from the roads, I would like to know it, so that I can unload and get out." He laughed, and said, "Well, you are very frank about it." "That is my only idea." I said, "I do not want to publish it." Said he, "I do not know what I might do." Said I, "Do you claim that you have the right under existing law to

collect this accrued interest from the roads, and compel them to pay it?" Said he, "I think there is sufficient law already existing." Said I "I do not think you have." Well, said he, "I have written to the several railroad companies, notifying them of the fact of this accrued interest that they owe, and only in one instance have I received a reply, and I am inclined to let them understand that I am going to take hold of this matter and do something." I went out and talked to one of my friends about it. Said I, "Boutwell means mischief in regard to this matter; I think we had better get out." Said he, "He cannot do it, he dares not do it; he has no right to do it." Said I, "Suppose he does do it?" "Well," said he, "he would not dare to do it." Said I, "That has nothing to do with it; but suppose he does it, what then?" Said he "It would be very disastrous." I waited a couple of days, and then I went up to the Treasury again, feeling great interest in the question, and I discovered that Mr. Boutwell had issued an order to the warrant officer not to pay any more of this 50 per cent. accrued interest to the road. I sat down and telegraphed that to my papers at Boston and New York. The next day or two after that the stock began to tumble. I went up to see the Secretary again, and he told me that he had referred the subject to the Attorney-General, and that until he had a decision he would pay no more of their warrants. I followed the thing all along, keeping watch of it all through and trying to ascertain what the Attorney-General was going to do. Finally, the Attorney-General rendered his decision confirming the construction of the Secretary of the Treasury. Then the question came up in Congress.

Q. In the mean time had you unloaded?—A. I had.

Q. Had you unloaded before you telegraphed to your Boston paper?—A. I think I had. I always do these things before I let anybody else know.

Q. Hor far did it tumble? What was it worth when you unloaded?—A. I think it was worth about from 36 to 38; I am not positive about it. It went down to nine. You could not sell the income-bonds at any price. They were quoted in Boston, where they were most held, at 29, 39, 35, 40, and such figures. They were oscillating in that way.

Q. What kind of securities was it that you were loaded with?—A. It was the stock I had.

Q. It was the stock that went down to nine?—A. Yes, sir.

Q. Then the question came up in Congress?—A. Then the question came up in Congress. I had bought some of the stock under the impression that Congress would not confirm the action of the Secretary of the Treasury, which I regarded as being in direct violation of the agreement between the railroad companies and the Government.

Q. What induced you to come to the conclusion that Congress would not confirm the action of the Secretary of the Treasury?—A. I had seen several lawyers and talked with them on the subject, and I think I had also talked with a good many Senators and members of Congress about it, on general principles as to what they thought of Boutwell's decision; and they generally thought that he was not warranted entirely in doing it. I followed it up very closely, and went to the Judiciary Committee of both Houses, and inquired wherever I found anybody who knew anything about it. The question was also before the Committee on Appropriations.

Q. After your many interviews with members of Congress, you came to the conclusion that Congress was going to disagree with the Secretary of the Treasury?—A. At first I did not think it would, because there was an impression prevalent that these companies had made a

large amount of money, and that Congress was not going to help them out of the scrape, but that they must take care of themselves. I afterward changed my mind.

Q. What induced you to change your mind?—A. From the general impression that the Secretary's opinion was wrong, and that Mr. Ackerman was a mere tool, and did not know anything about law. They regarded him as a rebel, who was acting against the interests of the people of Massachusetts who held this stock.

Q. Did these interviews that you had with members of Congress influence you in coming to the conclusion that Congress was going to disagree with the Secretary?—A. I was looking about for news, and I had two purposes to serve in getting all the news that I could. I told members whom I spoke to that I wanted to know it as a matter of news, but I really wanted to know because I had an interest in it. I had loaded up again when the stock was down.

Q. Had you loaded up before you had pretty strong assurance that this legislation of 1871 was to be carried?—A. No, I did not. That was my judgment.

Q. You satisfied yourself, in other words, that that legislation would be enacted?—A. I did not know what Congress would do, but I thought it would relieve the company, as the enterprise had ruined all those gentlemen who were in it, and I thought that Congress would probably step in and relieve them.

Q. Did you make any arrangement looking to the prevention of sending out from this city information to the different newspapers of the country as to what was likely to be done in Congress with reference to that legislation?—A. No, sir; not a particle. I gave my information, after I had used it, to anybody who wanted it.

Q. Did you pay any money to any newspaper correspondent, or any person connected with any newspaper, for the purpose of inducing him not to send out news in relation to what was transpiring here in regard to that legislation?—A. No; not particularly for that.

Q. What was it for?—A. I had an interest in this thing, and I did not want any adverse criticism. A gentleman came to me and wanted me to loan him some money. He told me that he was hard up. I think he said that he owed Senator Pomeroy some money. He asked me if I would not loan him some, and he kept at me till I finally gave him a couple of hundred dollars.

Q. For what purpose?—A. To aid me in my purpose. I told him that if I made what I expected to make, a nice profit on this thing, I would be willing to pay him.

Q. How was he going to aid you?—A. I asked him what he thought of this legislation. He said he did not know; and we talked about it a good deal. I do not recollect exactly what occurred between us. Said I, "Have you any convictions about it." He said he had not. I said, "If you have not got any convictions about it, and if I make anything out of this operation, I do not object to giving you something out of it. If you can help me in any way in creating an impression in the papers and keeping the stock up, I would not object to giving you a little dividend out of mine."

Q. Did you pay him some money?—A. I gave him two hundred dollars.

Q. Was it not for the purpose of preventing him sending out news as to what was likely to transpire in regard to this matter?—A. I do not think so. He was rather disposed to help me.

Q. For a consideration?—A. He was insisting on my going on his pa-

per, and asked me repeatedly; and I did not like to, because I knew he was rather impecunious. He asked me repeatedly, and I could hardly get out of it.

Q. Who was it?—A. Mr. R. J. Hinton. I have known him for many years. He is a very clever fellow, but is generally hard-up.

Q. Did you pay money to anybody else?—A. No, sir.

Q. Do you know of any being paid to anybody else?—A. No, sir.

Q. Have you heard of any being paid to anybody else?—A. No, sir. I should not have paid him if he had not pressed me to borrow the money.

Q. Was there not an understanding among certain persons about the city that that legislation was to be had, and that that was a good time to buy the stock; that it was down low, and that as soon as legislation was had it would immediately rise in the stock market, and that there might be a handsome speculation made?—A. There was no understanding. We talked about the thing, and everybody who had spare money was anxious to make something in stock speculation.

Q. The matter was talked about that it might be a good speculation?—A. The general impression was that it was a dangerous thing to meddle with.

Q. Why?—A. On account of the uncertainty of the thing.

Q. It was considered a certainty if they had the legislation? The stock would go up, and be considered a good speculation?—A. Of course; that was a dead sure thing.

Q. Those who were talking about this thing were anxious to get this legislation?—A. Of course.

Q. And those who were talking about it, were they engaged in buying up the stock?—A. I cannot tell you.

Q. Do you know of any member of Congress buying stock at that time?—A. No, sir; not of my own knowledge. I heard that members were buying. I do not know who they were.

Q. Did you advise any member of Congress to buy about that time?—A. No, sir. I suppose they kept their own counsel, and I know that I kept mine.

Q. To what extent had you loaded at that time?—A. I was carrying a few hundred shares. I am always more or less dabbling in stocks.

Q. Do you recollect what you paid for what you purchased at that time?—A. I think it was something between 18 and 19. It had rallied a little. It had rallied a little after the Union Pacific Railroad Company had made an arrangement with the Pennsylvania Central to take care of the floating indebtedness of the company; and when I saw that Edgar Thomson, of the Pennsylvania Railroad Company, had lent his credit to the Union Pacific Railroad Company, I made up my mind that the thing was coming out all right. I went on my judgment more than anything else after that; but I made myself very busy in finding out all the points, which I used for my papers after I had used them for myself.

Q. You got the first benefit of the information?—A. I had at that time an arrangement with houses in New York to furnish them with information touching financial matters, especially in regard to this and in regard to other matters, which information was communicated to the brokers in New York.

Q. What did the Union Pacific Railroad stock go up to after that legislation?—A. It went down. I made up my mind that the thing had been discounted already, and on the evening of the day when the bill passed I sent my order to sell immediately as soon as it was known on the street that the bill had passed. I discovered that others who had

doubted that Congress would pass the bill were buying the stock while I was selling. They all of them got badly taken in. They were lame ducks.

Q. From whom did you acquire the original lot that you had?—A. I had purchased it. I was carrying it on speculation.

Q. From whom did you purchase it?—A. From one of the brokers in New York; Mr. Clews, I think. There were three or four men buying stock for me. I do not recollect from whom I bought it.

Q. Did you get any of it from any of those managers of the Union Pacific Railroad Company?—A. No, sir.

Q. Did you get any of it that you did not get by purchase?—A. There may have been some carried for me. Fo. instance, I furnish information to a gentleman, and he says, "If you give me this information, I will carry for you one, two, three, four, or five hundred shares and pay you whatever it appreciates from the time I buy." I may have had, and probably had some stock of that kind at that time.

Q. Who was carrying stock for you at that time?—A. Several brokers.

Q. Give us their names.—A. I am not going to disclose to the committee my private transactions in New York. They do not relate to Congress.

The CHAIRMAN. That is for the committee to determine.

The WITNESS. There is nothing in them relating to Congress in the slightest degree. I do not choose to have my private transactions and operations in New York inquired into, and therefore I decline to answer the question. I will say to the committee that nobody connected with Congress in any shape or form had anything to do with my transactions directly or indirectly.

The CHAIRMAN. But we have something to do with others besides members of Congress. I will vary the form of the question a little and ask you to state whether any person who was connected with the management of the Union Pacific Railroad Company was carrying any of the stock for you?—A. No, I think not.

Q. Was Mr. Durant carrying any for you?—A. No.

Q. Was Mr. Bushnell?—A. No.

Q. Was Sidney Dillon?—A. No.

Q. Oakes Ames?—A. No, sir.

Q. Was Oliver Ames?—A. No, sir. Not one of these men had I any transaction with.

By Mr. HOAR:

Q. What is there in the transaction of carrying stock for you a short time by a New York broker that makes you unwilling to disclose his name?—A. I do not think it is part of the business of this committee to inquire into my private transactions.

Q. But what is there in the fact that you should be unwilling to disclose?—A. I would rather people should not know what I am doing. That is all. I cannot discover why I should disclose my private business when it has no relation to anything that this committee is authorized to inquire into.

Mr. HOAR. I want to know what there is in it that makes you unwilling to disclose it.

The WITNESS. I do not want to disclose any of my private matters. I prefer not to let other people know what my private business is.

Mr. HOAR. You have stated what your business is, and the question is as to the names of the brokers.

The WITNESS. I have stated that Mr. Clews has done a great deal of business for me.

The CHAIRMAN. You stated that persons had been carrying this stock for you. What objection have you to stating the names of the persons?

The WITNESS. I have given you the name of Mr. Clews. If I had all the documents and papers I might inform the committee, but I have had transactions with a great many people in New York at various times.

By Mr. HOAR:

Q. You spoke of having some persons, who, at the time of your interview with the Secretary of the Treasury, were carrying shares of the Union Pacific Railroad Company. Do you recollect the names of those persons or any of them?—A. Not at that time. I said I had some of that stock. I told the Secretary I had some of that stock.

Q. The question is of whom you bought it?—A. I bought it on speculation.

Q. From whom?—A. I think I bought it of Mr. Clews. I do not see why the committee wants to drag in my private transactions here, that have not the slightest concern with the subject. It is not because I am afraid to communicate any information to the committee.

By the CHAIRMAN:

Q. From whom did you acquire the second lot?—A. I bought it in the market. I think Mr. Clews carried some for me.

Q. To whom did you make payment for it?—A. I did not make any payment. You put up a margin, or they carry it for you on account of the information you furnish, just as you can make arrangement with your broker.

Q. Did you put up a margin or did you furnish information?—A. I had a margin there, I think. I think I had a margin on some speculation that I had made. I think I have one now with Mr. Clews.

By Mr. HOAR:

Q. Did you acquire any of the stock which you held at the date of your conversation with Secretary Boutwell, or any of the stock which you afterward purchased, from any person then in Washington, or through a bargain or transaction with any person in Washington at the time of your acquiring it?—A. Not a dollar's worth.

Q. Was it all acquired in the New York stock-market, in the regular course of such business?—A. Yes. I never had a dollar's worth of stock at that time that was not bought on speculation.

Q. Bought in the New York market?—A. I never had a dollar's worth of this stock from Mr. Ames or any other parties.

Q. You never had a dollar from anybody who you understood was connected with the Union Pacific Railroad Company or the Credit Mobilier?—A. No, sir; not a dollar. I never had any connection with the Credit Mobilier or the Union Pacific Railroad Company or with that concern.

By the CHAIRMAN:

Q. Do you hold any of that stock now?—A. No, sir; I do not. I did have some a little while ago that I had bought at 34 and sold at 36½ or 37. I made a nice little turn on it.

Q. I should like to know how much of that stock you held at the time this legislation was pending on account of information or news that you furnished?—A. I cannot tell you. The thing has passed out of my mind. When an account is sent to me of a transaction, and I make my

percentage on it, I always tear up the memorandum and throw it aw
I do not keep records of these things.

Q. Do you studiously avoid keeping any record of these tran
tions?—A. When I am going away for the summer, after Congress
journs, I go through my papers and any that are important I keep,
any that are not important I tear up.

Q. When you reloaded how much did you get on account of infor
tion furnished?—A. I cannot tell that.

Q. You say that sometimes persons carried stocks for you on acco
of money and sometimes on account of information that you furnish
Now, when you reloaded how much did you have on account of inf
mation?—A. I do not know. I had three or four hundred shares.

Q. How much did you realize on the stock which you got for in
mation that you furnished?—A. I think the profit was from 9 to 10
cent.

Q. And what did it amount to in all?—A. I cannot recollect. Th
were several transactions in my account, and I may have had so
losses. I bought some Rock Island stock and lost on it. When
broker makes out my account there is so much lost and so much gai
and he pays me the difference. I had two hundred or three hund
shares of Rock Island stock. I always look to see that I make so
thing on the whole transaction.

Q. Did I understand you to say that in one case you made an atte
to withhold from the public information of that which was transpi
in connection with this legislation?—A. On the contrary, I did ev
thing that I could to send it as fast as the wires would take it, for I
sending information to Mr. Abbott, in New York; and one or two ot
parties were also sending information. He charged me particularly
give him the earliest information in regard to that matter.

Q. That was private information?—A. He published it instantly
quick as he got it. He threw it out to fifty or sixty brokers in W
street.

Q. I am speaking about giving it to the general public. Was not t
information which you were sending out information to be used by
vate individuals, for the purpose of handling these stocks?—A. I
not know what they wanted it for. All that I did was to send it
them.

Q. Was there not an agreement that you were to furnish informati
—A. I was to furnish information at so much a week, or so muc
month, with some, and with others I was to furnish information, a
if it proved successful, they were to give me a dividend.

Q. Did you send this same information to the newspapers?—A. I

Q. At the same time?—A. I guess there was not twenty minutes
ference. After I got the information and shoved it off, I went right
stairs and sent it to my afternoon papers.

Q. But these parties did get it in advance of the newspapers?—
Of course. That was my agreement—that I should send them everyth
I had in regard to these matters, and in regard to the finances,
roads, &c., that took place in the Committee of Ways and Means or
Committee on Appropriations.

Q. To enable them to use this information for their private ben
and for your private benefit?—A. Yes; it was mutual. My paper p
lishes editions at 1 o'clock, 3 o'clock, and 4 o'clock.

Q. What paper is that?—A. The Boston Transcript; and I ha
paper in New York, the Commercial. I was also sending to the Chic
Journal, and to Cleveland, and I think about that time to Cincin

Of course, these papers published my dispatches whenever they pleased. If the dispatch was important they would sometimes keep it out of the early edition, because if they published it in the early editions the papers that did not get specials would steal it and use it.

Q. But the broker was always a little ahead?—A. Always a little ahead.

WASHINGTON, D. C., *January* 22, 1873.

JAMES F. WILSON sworn and examined.

By the CHAIRMAN:

Question. Where is your residence?—Answer. Fairfield, Iowa.

Q. Have you been connected with the Union Pacific Railroad Company in any capacity, and, if so, in what and for what length of time?—A. I have been connected with the Union Pacific Railroad Company since some time in 1869. I was in the first instance appointed as one of the commissioners to examine the last accepted sections of the road in connection with General Warren and Mr. Isaac N. Morris, of Illinois. Subsequently I was appointed by the President one of the Government directors of the Union Pacific Railroad Company, and have been re-appointed, I think, three times. The appointments are made annually.

Q. When were you first appointed?—A. On the 14th of July, 1869, then on the 8th of March, 1870, next on 6th March, 1871, and lastly on 11th of March, 1872.

Q. Are you still a Government director?—A. I am.

Q. Were you in the city of Washington at the time the legislation of 1871 was pending, which grew out of the controversy between the Secretary of the Treasury and the railroad companies, in regard to paying them for Government transportation?—A. I do not recollect being here at that time. I believe I must have been in the city some time during that session, but I am quite certain that I was not during the pendency of that legislation. I have been here more or less every year since 1861, and possibly I may have been in the city at that session.

Q. Do you recollect being in the city of Boston soon after the passage of that law in 1871?—A. Yes, I must have been there soon after that, because there was a meeting of the board of directors soon afterward, and I think that I have attended all of the meetings of the board.

Q. Look at this record (in the testimony of E. H. Rollins) and state whether you are the James F. Wilson who was appointed on that special committee?—A. I am the James F. Wilson who is named in that record.

Q. You were then a member of a special committee for the examination of the matter in reference to special legal expenses?—A. Yes, sir.

Q. Did you meet with that committee?—A. I did not; I declined to act with them. I will state the reason why a Government director was appointed on the committee. There is a rule which requires that a Government director shall be appointed on each committee; therefore the board could not make that committee without appointing a Government director on it. I mean, that it could not be properly constituted without a Government director.

Q. It was necessary to have a director on this committee?—A. Yes, sir.

Q. Why did not you serve on that committee?—A. I will tell you very frankly why. I had heard a good deal said as to there having been great efforts made here to pass the law in question, and I came to

the conclusion that if there was anything of that kind, involving any person, I did not want to know who it was.

Q. Then it was currently rumored that there had been improper influences or appliances used for the purpose of accomplishing that legislation?—A. I think I saw that in the papers during the pendency of the legislation. I was at home at the time.

Q. When you were appointed on this committee you were cognizant of the fact that the matter which you were to examine, as a member of that committee, had reference to what had transpired at Washington?—A. I cannot say that I was cognizant of the fact. This was for special legal expenses.

Q. Were you suspicious that it had reference to it?—A. I was suspicious that if anything of that kind had been done it was involved in this account, and I did not want to know anything about it. I therefore declined to act on the committee.

Q. State whether, although your name appeared as a member of the committee, the fact was that the Government had no member of the committee to examine that account?—A. Yes, sir; that is true.

Q. Do you know, either from personal knowledge or from information, what was examined by that committee?—A. No, sir. I do not.

Q. Did you ever see the report that was made by that committee?—A. I cannot recollect whether I did or not.

Q. Look at this report, (in the testimony of E. H. Rollins,) and say whether you ever saw it before?—A. I do not think I ever saw it before; I recognize the signature to the paper.

Q. Whose signature is it?—A. General Dodge's.

Q. He was then the chief engineer of that company, was he?—A. It is my impression that he was not the chief engineer at that time, but was a director. I think that the action accepting his resignation as chief engineer of the company had been had before that time; although I am not positive about the date.

Q. You being a Government director at that time, what reason was there why you should not appear and act with that committee in the investigation of that account?—A. The only reason was this, that, as I have said, I had noticed the reports to which I have referred, and during my services in Congress for eight years had often heard of charges or read of charges in the press affecting the reputation of gentlemen connected with public life, and I did not want to have any knowledge whatever about any transactions of the kind having been had, if any had been had. For that reason I declined to act on the committee.

Q. If any improper appliances or means had been resorted to, to affect the interests of the Government, was it not important that the Government should know that fact?—A. That is probably true; and the only reason that I give for it is the one I have stated, that if anything of a suspicious character had transpired, I did not wish to know anything about it.

Q. Were you apprehensive that you might find out something of that sort in the event of your acting with that committee?—A. I was apprehensive that if anything of that kind was involved in the account I would find it out if I acted with the committee.

Q. Have you any information as to what this $126,000 was paid for?—A. I have not. I will state here, in justice to General Dodge, who I think, was in this city when the legislation was had, that he always insisted to me that there had been no money used improperly.

Q. General Dodge is in Texas now, I believe?—A. I believe his best

quarters are in Marshall, Texas. He is now, I understand, chief engineer of the Texas Pacific Railroad Company.

Q. Was he a member of Congress at that time?—A. No; he went out of Congress on the 4th of March, 1869.

Q. You were not a member at that time?—A. No, sir; I went out also on the 4th of March, 1869.

By Mr. SWANN:

Q. I understand you to say that you had some misgivings about the matter?—A. Yes; from public rumors.

Q. And from newspaper comments upon the transaction?—A. Yes, sir.

Q. You thought it was rather outside of their functions as directors to vote a large amount of money of this sort without guarding it in a way which they do not appear to have done?—A. Undoubtedly that consideration was in my mind; I could not, at the time, see, and I do not now see, the necessity for appointing a committee to audit an account when they had officers whose duty and regular business it is to audit accounts. It was not a usual mode of doing business.

Q. No similar action had ever been taken before?—A. Not to my recollection.

Q. And you do not know anything as to the disposition made of that money?—A. I do not; I cannot state, either from personal information or otherwise, whether a dollar of it was used improperly or not; I do not know where it was used, nor for what purpose.

Q. All that you know on the subject is that Mr. Dodge told you that some had been used improperly?—A. Yes, sir; I had seen these reports and I made up my mind that if there was anything of the kind that affected any person, I did not wish to know it.

Q. In other words, you shrank from the transaction?—A. Yes, sir; I did.

Q. You had never heard anything said in the discussions of the board as to what disposition had been made of that money, or anything connected with it?—A. No, sir; after this committee was appointed it went into a room, just across the hall from the room in which the directors held their meeting; I went into the room with them; so far, it may be said I met with the committee; I went into the room and said to them, "Gentlemen, I do not want to know anything about this; I have seen these rumors, and if there is anything wrong involved in it, I do not want to know it, and I decline to act."

Q. And you had no discussion in the room as to the plans or purposes of the committee?—A. No, sir.

Q. Or as to the object to which this money was to be applied?—A. No, sir.

Q. In other words, it did not impress you favorably, and you determined to have nothing to do with it?—A. Yes, sir.

By the CHAIRMAN:

Q. You were present when the committee was appointed?—A. Yes, sir, I was; and I wish to say that if any of that money was used improperly, in any way, I am very glad that I do not know it.

Q. You thought you could not have sanctioned such proceedings?—A. I certainly never should have sanctioned the use of any money improperly.

Q. You would not have sanctioned the voting of so large a sum of money to be put in the hands of these gentlemen without some check?—A. No, sir. This was some six days after the legislation was had in

Congress. I was not here. I went directly from my home, in Iowa, to Boston. I do not think that I was in this city at any time while that legislation was pending.

By Mr. HOAR:

Q. You understood that that mode of dealing with this account was for the purpose of concealing the transaction?—A. No, sir; I did not understand that.

Q. I understood you to say that you did not see why the auditing officer of the company should not deal with it, instead of having this special committee?—A. Yes, sir.

Q. Do you not understand that it was in order that the ordinary auditing officer of the company might not deal with it, that this mode was adopted?—A. That was one of the reasons that impressed more forcibly on my mind the impression which had been made before, that there might probably have been something wrong.

Q. Then you did not believe the assurance given to you that no improper use had been made of the money?—A. This statement was not made to me when the resolution was passed, or when I went into the room with the committee. It was told to me afterward in talking on the subject. I was assured that no money had been improperly used.

Q. But still you felt so much doubt about the correctness of the assurance as to be very unwilling to know the truth?—A. Yes, that is true, with this qualification, that while I believed the statements made, still, if they were not complete as to the whole transaction, I might be placed in a false position as a Government director by any subsequent disclosures, and my conduct was therefore self-defensive.

Q. Was that, in your judgment, a compliance with your duty to the Government as a Government director?—A. That is a somewhat delicate question, and the whole case seemed to involve delicate ones, judged by the rumors I have mentioned. I did what I believed right under the circumstances, as it was not my duty to audit accounts.

Q. I am aware of that, and I should be very sorry to put a question that would go further in that direction than was proper; at the same time I think that this committee must know how far, in the history of this transaction, the Government directors considered themselves as representing the Government in the management of the road. Did you understand that you had any duty to the Government?—A. Undoubtedly.

Q. Did you not understand that your duty to the Government required you to be there for the purpose of knowing in reference to just such transactions, and of preventing them?—A. I should undoubtedly have endeavored to prevent the improper use of any money, or improper influence of any character on men occupying public or other positions.

Q. Having called that point to your attention by the question, I do not wish to have you make any further answer to it than you yourself think fit.—A. I wish to be understood fully in regard to that. I do not want to shrink from answering any question that the committee desire to ask.

Q. I thought that this statement having been made by you, some explanatory statement of your duty might occur to you, which you would like to have added to it.—A. What might have occurred to my mind in relation to my special duty, as Government director at that time, I am not prepared to say. The consideration that weighed on my mind was the one which I have stated. If I have not stated it explicitly enough

I wish to state that I know nothing whatever of the use that was made of this money, or whether it was used to employ counsel ordinary or otherwise.

By the CHAIRMAN:

Q. Have you at any time had any interest in the Credit Mobilier of America?—A. Yes, sir; I had, as I stated to the committee of which Mr. Poland is chairman.

Q. What interest did you have in that corporation?—A. An interest of ten shares of the stock.

Q. Were you at any time an officer of that corporation?—A. No, sir.

Q. When did you acquire that ten shares?—A. My recollection is, as I stated in my testimony before the other committee, that it was in or about the month of May, 1868.

Q. Did you acquire that as an original subscription, or did you purchase it?—A. I purchased it.

Q. From whom?—A. From Mr. Oakes Ames.

Q. How long did you hold that stock?—A. I held it until some time in the winter of 1868–'69. I cannot recollect the date that I parted with it.

Q. You got it in 1868, and disposed of it in the winter of 1868–'69?—A. Yes.

Q. Have you held any interest in it since the winter of 1868–'69?—A. No, sir.

Q. In your capacity of Government director have you had occasion to examine the books of the Union Pacific Railroad Company, with a view to ascertaining the cost of construction under the different contracts that had been made for the construction of this road?—A. No, sir. When I became a Government director the construction of the road was completed; the construction had been all made; and, in fact, the tracks between the Union and the Central Pacific roads had been joined. I had given some attention, however, to the cost of the road in order to make up my judgment as to whether or not too much money had been expended in it.

Q. Have you examined the books of the Union Pacific Railroad Company with reference to that question?—A. Not critically. I have at times examined them and got statements.

Q. Have you ever given any attention to the question as to what the Hoxie contract cost the Union Pacific Railroad Company?—A. No, sir; I have not, except in this: I had occasion once to investigate a question connected with the Hoxie contract, and in that I came to the conclusion that the road had cost too much under that contract.

Q. Do you recollect the amount that you considered as the excess paid under the Hoxie contract?—A. I do not recollect.

Q. About what time was it that you made this investigation in reference to the Hoxie contract?—A. It was in the winter of 1870 or the spring of 1871.

Q. Do you recollect seeing an item of $2,000,000 which had been added to the cost of construction under the Hoxie contract?—A. I do not recollect.

Q. Have you any recollection now of your attention having been attracted to an item of that kind?—A. No, sir; I have not.

Q. Has your attention ever been called to the fact that, on 4th August, 1869, the Union Pacific Railroad Company gave a note for $2,000,000, and then charged that up to the Hoxie contract?—A. I do not think I

ever know that. It is possible that I did, but it has escaped my recollection now.

Q. Were you present at a meeting of the board of directors or of the executive committee, or at any sort of convocation of the officers of that board, either as officers or in the capacity of a committee, when a note of $2,000,000 was given?—A. I cannot recall it if I was.

Q. Has your attention ever been called to the fact that, at the time the Oakes Ames contract was made, a large number of miles of the road west of the one hundredth meridian had been already completed and accepted by the Government?—A. I have heard that that was the case, yet I have never been able to ascertain what the real facts in regard to it were.

Q. Has your attention been called to the fact that, in addition to the number of miles which had been already accepted by the Government, a large number of miles of track had been laid, which were not yet accepted, but which were soon afterward accepted, by the Government?—A. No, sir; my attention has not been called to it.

Q. You have not therefore investigated into the question as to how much the construction, of which I have just spoken, had cost the Union Pacific Railroad Company at the time the Oakes Ames contract was let?—A. No, sir.

Q. And you know nothing on that subject?—A. No, sir.

Q. And can give the committee no information in that behalf?—A. No, sir; I cannot. Since the completion of the road, so far as the Government directors have been concerned, it has been difficult for us to get information. We have directed our attention more to the practical affairs of the road, in trying to induce reforms that would bring up the revenues of the road, and in some respects we have succeeded.

By Mr. SWANN:

Q. You were opposed to their whole line of policy?—A. Yes. Since I have been a member of the board I have been opposed to their line of policy, and have endeavored to secure a reform in that policy. I will mention in regard to one subject that is embraced in the last report of the Government directors; I mean the coal contract. When I first discovered that, I made war upon it. In a meeting of the board of directors I prepared myself, and offered a resolution and preamble, in which I recited this contract in full, declaring in the resolution that it was void, because of its contravention of public policy, and directing the general superintendent of the road not to comply with it.

Q. What was the result of that resolution?—A. The resolution was adopted, but by some means subsequently I found that the contract was being executed.

Q. Your resolution was adopted?—A. My resolution was adopted by the vote, I think, of every member of the board present.

Q. And what was the result afterward? The result afterward was that the executive committee, by a resolution, revoked what the board of directors had done and re-instated this contract?—A. Yes, sir.

Q. Is the power in that Union Pacific Railroad Company the board of directors or the executive committee?—A. The executive committee seems to undo what the board does, if the executive committee does not like what has been done.

Witness put in evidence the resolution referred to of 19th November, 1869, referring to the Wyoming coal contract, to be found on page 69 of the stockholders' and directors' record.

It is as follows:

"On the motion of Mr. J. F. Wilson, the following preamble and resolution were adopted:

"Whereas the following contract was entered into between Cyrus O. Godfrey and Thomas Wardell, and some person acting in behalf of this company:

"This agreement, made this sixteenth day of July, in the year of our Lord one thousand eight hundred and sixty-eight, between the Union Pacific Railroad, by its proper officers, of the first part, and Cyrus O. Godfrey and Thomas Wardell, of the State of Missouri, or assigns, as party of the second part;

"Witnesseth: That the said party of the first part agrees that the party of the second part may prospect, at their own expense, for coal, on the whole line of the Union Pacific Railroad, its extension and branches, and open and operate any mines discovered, at their own expense.

"That said railroad company agrees to purchase of said party of the second part all clean, merchantable coal-mines along the line of its road needed for engines, depots, shops, and other purposes of the company, and to pay for the same, for the first two years, at the rate of six dollars per ton; for the next three years, at five dollars per ton; for the four years thereafter, at four dollars per ton; and for the six years remaining, at the rate of three dollars per ton, delivered upon the cars at the mines of the said party of the second part, and which shall not be less than ten per [cent. added to the cost of the same, to the said party of the second part. This contract to be and remain in full force for the full term of fifteen years from the date thereof.

"That the said railroad company agrees to facilitate the operations of said party of the second part, in prospecting and otherwise, by means of such information as it may possess, and by furnishing free passage on its roads to the agents of the party of the second part, not exceeding six in number.

"That said railroad company further agrees to put in switches and the necessary side-tracks, at such points as may be mutually agreed upon for the accommodation of the business of the said party of the second part.

"The said party of the second part agrees to make all necessary exertions to increase the demand and consumption of coal by all outside parties along the line of said railroad, and to open and operate mines at such points where coal may be discovered, as may be desired by said railroad company, and to expend within the first five years from the date of this agreement, in the purchase and development of mines and mining lands, and in improvements for the opening, successful and economical working of the same, not less than the sum of twenty thousand dollars; also to furnish, for the use of said railroad company, good merchantable coal, and to pay all expenses for improvement for loading coal into cars. Any improvements desired by said railroad company in regard to the coal to be used by it shall be at cost of said railroad company.

"In consideration of their exertions to increase the demand for coal, and the large sum to be expended in improvement, it is further agreed that the party of the second part shall have the right to transport over the said railroad and its branches, for the next fifteen years from the date of this agreement, coal for general consumption at the same freight that will be charged to others; but the said party of the second part shall be entitled (in consideration of services rendered as herein provided) to a drawback of 25 per cent. on all sums charged for transportation of coal.

"The said railroad company agrees to furnish the party of the second part such cars as they may require in the operation of their business,

and to transport them as promptly as possible; this agreement to remain in force for fifteen years.

"The coal lands owned by said party of the first part are hereby leased for the full term of fifteen years to the said party of the second part, or their assigns, for the purpose of working the same as may seem to them profitable; said party of the second part to pay for the first three years a royalty of twenty-five cents per ton for each ton of coal taken out from their land; excepting always coal taken from entries, air-courses, or passage-ways, for which coal no royalty shall be paid; payment for the same being due and payable monthly. The royalty for the last six years shall be free, provided the price of coal to the railroad company is reduced to three dollars per ton. If three dollars and twenty-five cents per ton, or more, then, in that case, the royalty shall be as during the first nine years.

"In witness whereof we have hereunto set our hands and seals the day and year first above mentioned.

"C. O. GODFREY.
"THOMAS WARDELL.

"And whereas said contract is in contravention of public policy and tends to retard the development of the country through which the road passes: Therefore,

Resolved, That the general superintendent of the road be directed to disregard said contract in his department."

By Mr. SWANN:

Q. By what authority did this executive committee assume the powers and functions of the board of directors?—A. It is customary for the board of directors to delegate to the executive committee the powers of the board in its absence. But I have never understood that when the board of directors takes action upon a given subject, the executive committee can legally reverse that action.

Q. This executive committee assumed, where a resolution had been deliberately passed by the board of directors, to annul that resolution and act upon their own responsibility?—A. Yes, sir.

Q. And there is no authority for that?—A. Not as I understand the law under which they are acting.

By the CHAIRMAN:

Q. If you have any information as to what was subsequently done in relation to that Wyoming coal contract, state what that information is.—A. I find on the record of the executive committee, on page 86, the following proceedings, under date of August 5, 1871:

"Upon motion of Mr. Bushnell the following preamble and resolution were adopted:

"Whereas 90 per cent. of the stock of the Wyoming Coal Company is the property of this company: Therefore,

"*Resolved*, That the general superintendent be requested to co-operate freely with the superintendent of said coal company, in order that all possible returns may be secured from the disposal of coal and from freight, and that no coal be purchased by the company from any other parties for the use of the Union Pacific Railroad Company."

Since that they have been pursuing the same policy with reference to the Wyoming Coal Company which they did before passing my resolution.

Q. Who were the parties to this Wyoming coal contract?—A. It was executed by C. O. Godfrey and Thomas Wardell, and I think by Oliver Ames as president of the Union Pacific Railroad Company. Mr. Ames's

signature does not appear on my copy of the contract, but I ascertained that fact.

Q. Were Godfrey and Wardell at any time connected with the Union Pacific Railroad?—A. Not that I know of.

Q. Were they connected with the Credit Mobilier?—A. I do not know.

Q. What was the ojection that you made to this contract?—A. The objections that I made to the contract are stated with some care in the report of the Government directors.

Q. Have you had occasion to investigate the cost of the road under what is known as the Davis contract—that is, the contract west of the Oakes Ames contract?—A. That contract I have never seen. I always heard that contract spoken of as the contract of Davis and associates. The examination which I gave was as to what was the aggregate cost of the road, and determining in my own mind what it should have cost. That was the course of my examination, not involving matters of account in the books.

Q. Did you ever make any of those investigations in the presence of the managers of the Union Pacific Railroad Company, or did you communicate to them the results of your investigation?—A. I have talked on the subject frequently with members of the company; I do not know that I can recall particularly whom, but I know I have talked the matter over with them often and at length.

Q. Did you communicate the conclusion that you came to as to what the road has cost the company?—A. I will not be positive whether I gave any particular sum, but I have talked generally, and given generally my idea as to what I thought it ought to have cost.

Q. Did you make any estimate as to the cost of this road to the company?—A. Yes; in the way that I have stated.

Q. State as explicitly as you can the manner in which you made your calculations as to what the road had cost.—A. It was by a personal examination of the route, line, and character of the road, and from conversations with the engineers and superintendent. I always got a great deal more specific information from the officers of the line of the road, or at the headquarters at Omaha, than I ever could get at the Boston office.

Q. I am speaking with reference to what it did cost.—A. No; I got no information on that point.

Q. You never made any investigation as to what it did cost?—A. No, I could not very well do that without having all the contracts and estimates, and I never had all of them. I did get a copy of two or three of them.

Q. How did you make your calculation as to what the road should have cost?—A. By an examination of the country through which the road passed, and the character of the road itself.

By Mr. SWANN:

Q. What might have been saved by a proper construction of the road?—A. A considerable sum. I will refresh my memory about that and furnish the result to the committee.

Q. Your estimates were made from mere reconnaissance?—A. Yes, sir.

Q. It was the estimate of a practical man, not of a professional engineer?—A. Yes, sir; most of the business of this company is done by the executive committee. When the executive committee is appointed they organize and adjourn over from day to day, and in that way they keep the committee alive all the time. I have been a member of the ex-

ecutive committee, but I live 1,200 miles away from the place of meeting, and of course I cannot run back and forth every day to attend these meetings, and therefore the information which I, with the other Government directors, would get would be mainly at the quarterly meeting of the board of directors, when we would take up and read what the executive committee had done.

Q. Did you ever protest against the action of this executive committee as a Government director?—A. I have frequently done so.

Q. Did you do it formally, so as to enter your protest on the minutes of the board?—A. I do not know whether such a thing can be found on the minutes; but it has been done in discussions of the board. I have objected very emphatically in the meetings of the board of directors to having the action of the board of directors undone by the executive committee.

Q. You protested earnestly against this coal contract?—A. Yes, sir; I have been at war upon that for two or three years.

Q. Were you a member of Congress in 1864?—A. Yes, sir.

Q. What, if anything, do you know in reference to a change of route from Sioux City, in Iowa, to Omaha?—A. When the bill of 1862 was reported from the Pacific Railroad Committee it provided for an Iowa branch, the main trunk commencing not farther west than the one hundredth meridian. I was not satisfied with the shape of the bill. I was at that time practically the only representative in the House from the State of Iowa, my colleague, General Vanderveer, being in the Army. I secured an amendment to the bill, under which the Omaha line was built. In connection with one or two members from Minnesota, I waited on the Committee on the Pacific Railroad, and induced them to put in also the Sioux City branch. The provision of the act of 1862, as nearly as I can recollect it, was that the Union Pacific Railroad Company should construct that Sioux City branch whenever a road was constructed through Iowa from the East terminating at Sioux City. When the bill of 1864 was under consideration, our State had six members of the House. Mr. Hubbard, from the then sixth district, resided at Sioux City. He was very anxious to have a railway connection as early as possible from his section of the State. In the mean time the Dubuque and Sioux City Railroad Company had become involved in financial difficulties, and were not pushing their road. Mr. Hubbard concluded that he could get the connection sooner by having the road constructed by an independent company, and without waiting for the action of the Dubuque and Sioux City Company, and therefore in his amendment he provided for releasing the Union Pacific Railroad Company from constructing the Sioux City branch, and for authorizing some company to be organized in Iowa or elsewhere to construct that branch.

Q. The change was made in the act of 1864 authorizing this Sioux City branch to be constructed by another company, which was then organized, or which might thereafter be organized, I believe?—A. Yes; I think that was in the provision.

Q. Was there a company at that time organized, under whose charter that Sioux City branch was afterward constructed?—A. The company which constructed the Sioux City branch was not organized at the date of the passage of the act of 1864.

Q. When was it organized?—A. It was organized some time during that year.

Q. Has that company built the road?—A. Yes, sir.

Q. And received the subsidies of the Government?—A. So I understood.

Q. Is that company subject to Government directors?—A. No, sir. ere is a very peculiar feature in this whole Pacific Railroad legisla- n; which is that none of the subsidized roads have Government di- tors, except the Union Pacific Railroad.

Q. Has not the Central Pacific?—A. No, sir.

Q. This Sioux City branch did have Government directors under the t of 1862?—A. I think the act of 1862 provided for Government rectors.

By the CHAIRMAN:

Q. It has been stated here that Mr. Ames said that he had paid to n and other gentlemen a sum of money in consideration of his get- g control in some way or other of that Sioux City branch.

WITNESS. I understood from the public prints that such statements d been made. I am perfectly willing to have that whole subject de- loped, but inasmuch as it relates to me personally, I would prefer to re it done in another way than by taking my testimony in the first tance. I would rather have another witness state the facts than to te them myself, and in addition to that I should like to have placed fore the committee the record in the suit of Lambard against Blair, nes, and others, in New York, where the whole transaction is dis- sed.

The CHAIRMAN. If you would prefer to let the matter stand as it is w until further testimony is taken by the committee on this subject, o not know that there is any objection to it.

WITNESS. I would, not because I am not perfectly willing to tell the mmittee all about it, but because I would prefer to have it come in t way. I would like very much to have that record before the com- ttee, and, if it is not here already, I will place it before the committee a few days.

Q. Who constructed the Sioux City branch?—A. That was, I think, nstructed by what is known as the Sioux City Construction Company.

Q. And who are the parties actively interested in that construction mpany?—A. John J. Blair was the principal party. He had the en- e supervision of the construction of the line.

Q. Is that construction company a corporation?—A. I think it is a rporation organized under the general incorporation laws of the State Iowa.

Q. Do you know whether Mr. Oakes Ames was connected with that rporation?—A. I think he was one of the largest stockholders in it.

Q. Who else of the managing men of the Union Pacific Railroad were erested in this construction company?—A. I do not know whether I n name any one besides Mr. Ames.

By Mr. HOAR:

Q. You, of course, Mr. Wilson, were well informed of the progress of legislation of 1864 in reference to these railroads?—A. Yes; I took ood deal of interest in it.

Q. Was the existence and character of the route through the Rocky untains, by which the railroad passes at present, known to you at t time?—A. It was not.

Q. When was it first made known to you?—A. I do not think it was de known to me until after the road was well on in course of con- uction. I have understood, by conversing with General Dodge, while

he was chief engineer of the company, that when they were surveying for the line, a party of his engineers, he being out with them, were dispersed by the Indians, and that in endeavoring to make their way back, going in separate parties, he came upon an unusual and remarkable connection between the sedimentary rock and the granite, a few miles this side of what is now Sherman's Station. He said he marked the place as well as he could by observing the prominent landmarks of the region, and that when he returned to Omaha he sent out a surveying party, under Mr. Evans, to find this place and run a line over it, giving him the best description of the locality he could, and telling him of this singular connection. It is a very peculiar one. General Dodge told me that it was the only connection between the sedimentary rock and the granite he had ever been able to find in tracing the country for two hundred and fifty miles north and south, and that that discovery was what enabled the constructors of the Union Pacific Railroad to save a great deal of the money which was made in the construction of the road.

Q. What date did he fix for that?—A. I do not know. I suppose the date can be found among the records of the engineer's office.

Q. Was it before the legislation of 1874?—A. No; my recollection is that it was after that. I never heard of it from him until after he became a member of the Fortieth Congress.

Q. What I want to get at is whether, so far as you know, the route through the Rocky Mountains that was actually adopted, and its character, were disclosed at the time of the legislation of 1864?—A. No, sir; I am quite certain that the character of the route was not disclosed, if it had been discovered.

Q. If it had been disclosed, do you think that the legislation of 1864 would have been obtained; I mean the right to give the first-mortgage bonds priority over the Government bonds?—A. I am perfectly willing to give my opinion about that. From my knowledge of the line now, and of the country through which it passes, I think that if Congress had understood what can be seen in that country now, the act of 1864 would not have been passed in its present terms.

Q. That is, Congress would not have allowed them to give $27,000,000 of first-mortgage bonds priority over the Government bonds?—A. Yes. It looks very different now, going through the country by rail, from what it did by the reports that came to us as to the condition of the country, its character, formation, &c.

WASHINGTON, D. C., *January* 22, 1873.

PETER A. DEY sworn and examined.

By Mr. HOAR:

Q. Where do you reside?—A. I reside in Iowa City; I am a native of New York.

Q. State what was the nature and term of your entire service for the Union Pacific Railroad Company, or for any association or individuals connected with its construction?—A. In September, 1862, shortly after the organization of the Pacific Railroad Company in Chicago, I was employed by Mr. Farnum, a railroad contractor, to go over this line of road, to make a reconnaissance from the Missouri River to Salt Lake, and to tell him what I thought of the chances of building a road, and what I thought there was in the country that would make it available after it

as built. I went over the country from Omaha through. I went up he Platte Valley, and went to Denver. I crossed the Snowy Range ast of Denver, with a small party—just small enough to supply guides. was somewhat acquainted with some of those mountain men. I met r. Berthoud, who had a pass back of Denver, which he thought was vailable; but the chances of getting through over there did not seem fficient to me. Then I followed the range up north. I crossed the lack Hills at the Cheyenne Pass, which satisfied me that it was pos- ible to get through there. Then I went on and crossed the main sum- it of the country at the Bridger Pass, which is some distance south of here the road now crosses. Then I followed down this valley of Bitter reek to Green River, and went down Eagle Cañon to the Salt Lake alley. I came home and made a report to Mr. Henry Farnum. I made im a pretty full report of what I saw and what I thought of it. He laid he report away, and I heard nothing of it until, I think, the August of he following year. I took the map which was made by Stansbury of is reconnaissance and put in a line as I thought it ought to be run on hat map, which I accompanied with a report. In about a year after- ard, I guess in August, 1863, Mr. Durant telegraphed me to come to ew York and bring with me any papers I might have in relation to the ountry of the Pacific Railroad. I got this report of mine and the map nd took them on there. My impression is that the company afterward aid Mr. Farnum the cost of my reconnaissance. They published that eport of mine among the first papers that were issued.

Q. At that time you were not in the employment of the Union Pacific ailroad Company, of course?—A. No, sir; I was employed by Mr. rant about the 1st of September, 1863, to make some surveys there. put a party in, and ran a line over the Cheyenne Pass and the Bridger ss, and I sent a party and ran a line over the ridge in both instances see whether my judgment was correct or not. I had that done that ll. I made some surveys between Omaha and the Platte Valley, and tween Belleview and the Platte Valley. I ran three lines from Omaha nd one line from a point above, nearly opposite where the Sioux City nd Pacific Railroad now crosses. I ran a line round the Platte Valley, arting from the Missouri River, and following the Platte Valley round its mouth. These preliminary lines were finished early in the winter 1864. On the 30th of December I was appointed engineer of the road the executive committee, and my acts and doings under the authority Mr. Durant were adopted by the company.

Q. What information did you acquire, either from your own surveys reports to you, or by conversation with Mr. Durant or anybody e, of the Evans Pass, through which the road now runs?—A. I knew thing of it. The Evans Pass was not discovered, I think, until the l of 1865. It was not discovered when I left the road, which was on e 1st of January, 1865.

By the CHAIRMAN:

Q. Have you ever been over that portion of the line through the Black lls, where the road is now constructed?—A. No, sir.

Q. That part of it you do not know anything about?—A. No, sir.

Q. From the one hundredth meridian westward, as far as you know the e, what is the character of the country over which the road passes, d what are the difficulties and facilities in the way of constructing a lroad?—A. The grading is very light until you get to the Black lls.

Q. What distance is that from the one hundredth meridian?—A. I think it is about three hundred and fifty miles.

Q. From what you know of the character of the country, taking into account the cost of transportation, the cost of labor, the cost of iron and such other materials as go to the construction of a railroad, for what sum per mile could that 350 miles be built?—A. I cannot answer that question.

Q. Had there been any estimates made, prior to the time when your connection with the road ceased, of the cost of construction over that portion of the line?—A. No, sir; I think not.

Q. Had that portion of the line been located prior to the time when you left the employment of the company?—A. No, sir.

Q. How much of the line had been located when you left the road?—A. I think about two hundred miles.

Q. And that was the two hundred miles west of Omaha?—A. Yes.

Q. Had there been estimates made on that portion of the line before you left the road?—A. Yes.

Q. Were the estimates made as to the cost of construction?—A. Yes.

Q. Do you recollect who made those estimates?—A. They passed through my hands. That is, the quantities were figured up by young men of the party. Those estimates I was responsible for.

Q. They were returned, I suppose, to the office of the Union Pacific Railroad Company?—A. Yes.

Q. And ought to be found there?—A. Yes.

Q. Can you give the committee any definite idea as to what these estimates show?—A. No; I never kept copies of them. When I left the road I turned all these papers over.

Q. Were these estimates what you regarded as being fair estimates as to the cost of construction?—A. They were estimates in dollars and cents. My idea was that our estimates were large.

Q. Can you tell whether they went up as high as $50,000 a mile?—A. I made an estimate of the road for the first one hundred miles from Omaha, which did run up to about that. I made another estimate, which was a good deal below that.

Q. Which was the correct estimate?—A. The lower one.

Q. How did you happen to make the estimate at $50,000 per mile?—A. Mr. John E. Henry, who was a kind of superintendent of construction, came on from New York with orders to make a large estimate.

Q. Where is Mr. Henry now?—A. I do not know; I think he is in Texas.

Q. What was the character of the order he had?—A. He came up there, and said that he was instructed to have an estimate of a pretty large amount made there, giving the basis on which he wanted it done.

Q. Were these orders in writing?—A. No, sir.

Q. Was that basis which he gave to you in writing?—A. That I do not recollect now.

Q. Did he say from whom he got his instructions?—A. Yes; he said he got his instructions from Mr. Durant.

Q. And you made out the first estimate according to the basis he gave?—A. No; I think that was the second estimate. I think the first estimate was made out before that for the first 100 miles and was returned.

Q. Do you recollect now the difference between the first estimate and the second estimate?—A. No, sir, I do not.

Q. Can you approximate it?—A. My impression is that the difference was some fifteen or twenty thousand dollars a mile.

Q. From your knowledge of that portion of the line lying between Omaha and the one hundredth meridian, what could that portion of the road have been reasonably constructed for, taking into consideration the price of materials, the cost of transportation, &c.?—A. I should think that about $30,000 a mile would cover it, including equipments. This I give you from my recollection.

Q. If I understand you, you made an estimate which you returned to the office of the Union Pacific Railroad Company?—A. Yes.

Q. And afterward Mr. Henry came on, and under his instructions you made a second estimate?—A. Yes.

Q. And it was the second estimate that was up to about $50,000 a mile?—A. Yes. That was for a single track, with all the necessary equipments, sidings, stations, buildings, water-tanks, &c.

Q. How much of this road was covered by these two estimates?—A. The first hundred miles.

Q. Did you make any estimates for anything after that?—A. Yes, sir. The estimate for the second hundred miles was not quite so heavy as for the first.

Q. What was the estimate for the second hundred miles?—A. My impression is that it was about $27,000 a mile.

Q. And what was the second estimate on that hundred miles?—A. I did not make a second estimate.

Q. Did you return to the office the estimate which you made on the second hundred miles?—A. Yes.

Q. Were the first estimates that you made on these two hundred miles what you considered to be fair?—A. I considered them full.

Q. Who made the second estimate on the second hundred miles?—A. I do not know; I never saw it.

Q. When was it that you made the estimate on the second hundred miles?—A. It was in the summer of 1864.

Q. And when was it that you made the second estimate on the first hundred miles?—A. In September or October, 1864.

Adjourned.

WASHINGTON, D. C., *January* 23, 1873.

OLVIER AMES sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Pittston, Massachusetts.

Q. Have you been in any way connected with the Union Pacific Railroad Company; and if so, in what way, and when did your relations with that company begin?—A. I was elected director in October, 1866, and was made president of the company when General Dix was appointed minister to Austria in November, 1866.

Q. Had you been a stockholder prior to that?—A. Yes, sir.

Q. When did you first become a stockholder?—A. I cannot tell you definitely, but I think it was late in 1865.

Q. Are you an officer of the road at the present time?—A. I am one of the directors.

Q. And also a stockholder?—A. And also a stockholder.

Q. Have you been in any way connected with the corporation known as the Credit Mobilier of America; and if so, in what way, and when did you commence to be connected with it?—A. I never was an officer

of that company. I have been connected with it as a stockholder. I was a stockholder in 1865.

Q. Are you still a stockholder?—A. I am.

Q. And have you been all the time since you first became a stockholder?—A. Yes.

Q. Have you been in any way engaged in the management of the Credit Mobilier?—A. No, sir.

Q. You had no relation to it other than as a stockholder?—A. No other.

Q. Do you know of a contract having been made with Oakes Ames for the construction of any part of the Union Pacific Railroad?—A. I do.

Q. Was there any work done by Oakes Ames under that contract prior to its assignment?—A. I cannot say. The contract was assigned within a month or two months after it was made. My impression is that there was no work done under the contract until after the assignment to the trustees.

Q. At the time that contract was made what was your business relations to Oakes Ames?—A. We are partners in business and have always been.

Q. At the time that contract was made, and also at the time it was assigned, what were your official relations to the Union Pacific Railroad Company?—A. I was president of the company.

Q. Are you the Oliver Ames who executed that contract on behalf of the Union Pacific Railroad Company?—A. I am.

Q. When that contract was assigned it was assigned to a board of trustees?—A. It was.

Q. Were you one of that board of trustees?—A. I was.

Q. Are you still a trustee under that contract?—A. I am.

Q. And have been continuously ever since the assignment?—A. Yes, sir.

Q. Was there any other contract made by the Union Pacific Railroad Company for the construction of road of that company after the Oakes Ames contract?—A. There was the Davis contract.

Q. That had reference to that portion of the road lying west of the Oakes Ames contract?—A. Yes.

Q. Was that Davis contract assigned to the same board of trustees?—A. It was.

Q. At the time the Davis contract was made what official connection did you have with the Union Pacific Railroad Company?—A. I was president of the company.

Q. Were you president of the company also at the time of the assignment of the Davis contract?—A. I was.

Q. This assignment was made to the same board of trustees as the assignment of the Oakes Ames contract was made to?—A. The same board of trustees. I think Mr. Alley was not on the board of trustees at that time, although he was on the original board.

Q. Did this board of trustees, pursuant to the Oakes Ames contract, proceed to the construction of the road embraced in that contract?—A. It did.

Q. And did construct it as it has been constructed?—A. Yes.

Q. Did the board of trustees, pursuant to the Davis contract, proceed to the construction of the road embraced in that contract?—A. It did.

Q. And constructed it as it has been constructed under that contract?—A. Yes.

Q. Have you the books and papers of that board of trustees showing

the proceedings of the board, and the expenditures by the board in the performance of those two contracts?—A. I have. The original records of the trustees were sent to New York in a suit that the trustees had there, and when I came through New York yesterday I was unable to get the book on account of the absence of the person who had it in charge. It will be here this evening. That is the record of the trustees. You have a copy of it here, I believe.

Q. With that single exception have you all the books kept by the board of trustees during all the time that they were engaged in the performance of that work?—A. I think so.

Q. Have you all the papers?—A. All that I esteemed necessary to bring.

Q. What papers have you brought?—A. Engineer's estimates and vouchers; the engineer's estimates that were made from month to month.

Q. Have you in the books the expenditure of the road from month to month?—A. Yes.

Q. Now turn to the books and show to the committee what it cost these trustees to construct that portion of the road which is embraced in the Oakes Ames contract.—A. I am not familiar with those books, and am not able to do so.

Q. Were any dividends declared by these trustees?—A. There were.

Q. Turn to the record showing the proceedings of the board of trustees in that behalf.—A. I have not that book here. That is the book which is on its way here. I think there is a copy of it here brought by Mr. Rollins.

By Mr. SHELLABARGER:

Q. I wish to ask you some questions in regard to the history of the issuance of the stock of the Union Pacific Railroad Company to the stockholders at various times. You may state first what amount of stock was issued before the organization of the company.—A. I do not recollect. You mean the original issuance of the one thousand shares?

Q. Yes, under the act of 1862.—A. I do not recollect.

Q. Can you tell approximately the amount?—A. No, sir. I should think, perhaps, five thousand shares.

Q. Of $1,000 each?—A. No; that would make $5,000,000. I do not know that there was ever a $1,000-share issued. I think there never was. The law was altered before any one paid up his subscription on the $1,000-shares. There was only five per cent. and ten per cent. paid on the subscription, and I think there was only $2,000,000 subscribed. Some paid ten per cent. on their subscription, some five, and some nothing. That company broke up, and under the new law the shares were made $100-shares.

Q. There was but $2,000,000 subscribed under the law of 1862?—A. About $3,000,000.

Q. And on that $3,000,000 there was paid only about what per cent.?—A. From five to ten per cent. Some paid five and some ten. I do not think any one paid over ten.

Q. What was done with that $2,000,000 of stock after the enactment of the law of 1864?—A. I cannot tell. I did not come into the company until some years after 1862. I came in in the fall of 1866.

Q. State the history of the issuing of stock after you became acquainted with the affairs of the company; that is, what amount was subscribed, by whom, and what per cent. was paid in?—A. I cannot

state very definitely without reference to the records. This stock was all subscribed for under the Hoxie contract and the Ames contract, I think, and as they completed the road and the company owed for the road they subscribed for the stock, and the stock was received under the Hoxie contract by the Credit Mobilier at that time and distributed among the stockholders in proportion to their stock.

Q. As the work was executed, you say "they" subscribed for the stock. Who subscribed?—A. I do not want to say without examining the books. I was not in the company at the time of the Hoxie contract. The Hoxie contract was completed very soon after I came into the company. I think the books of the company will show that precisely. You have these books here. I hesitate to make a statement that will not be exactly correct.

Q. You may make your statements from any source of information you can lay your hands on. We want to get as accurately as you can give it the history of the subscription and issuing of the stock.—A. (After referring to the books.) The first subscriptions that I find are as follows:

		Shares.
June 15, 1866,	Thomas C. Durant	5,000
" " "	John A. Dix	50
September 21, 1866,	Thomas C. Durant	10,000
" " "	Credit Mobilier of America, by Thomas C. Durant	2,000
December 31, 1866,	The Credit Mobilier of America, by Thomas C. Durant	12,000
" " "	Charles Tuttle	50
" " "	Thomas C. Durant, by H. C. Crane, attorney	2,000

Q. Have you given all the subscriptions that were made in 1866?—A. Yes; that is all that was made in 1866.

Q. What subscriptions were made in 1867?—A. I find in the book for 1867 the following subscriptions: September 21, 1867, James Fisk, jr., 5,000 shares; September 21, 1867, T. P. Richards, W. A. Turner, and James Fisk, jr., again, 5,000 shares. These latter shares were never paid for, and there was never anything done with them. They never paid anything and never got their stock.

Q. Is that all?—A. That is all that is on this book.

Q. What prior subscription was made to the capital stock of the Union Pacific Railroad Company to those that you have now given?—A. On the original record-book of the Union Pacific Railroad Company, on pages 70-1-2-3, will be found the original subscriptions when the company was first organized in September, 1863. The subscriptions were made under the following heading: "It having been made to appear to the president and secretary of the commissioners of the Union Pacific Railroad Company that, at the least, 2,000 shares had, in good faith, been subscribed to the capital stock of the company, and that 10 per centum thereon had been paid into the treasury of the company by the following parties, to wit: (Then follow the names of the subscribers to the stock, with the amount of their respective subscriptions, in all 2,177 shares at $1,000 a share.)

Q. How much was, in fact, paid in on these shares as far as you can tell; I mean prior to the date of its organization?—A. Ten per cent.

Q. Please state what subscriptions were made to the capital stock of this company between the date of the subscriptions you have last given and the subscriptions mentioned in your preceding answer, made in 1866 and 1867.—A. That I have not the means of stating.

Q. Were there any subscriptions made to the capital stock between the dates you have given in your preceding answers?—A. I cannot tell you.

Q. What subscriptions were made to the capital stock of the company after those that you have given as made in 1866 and 1867?—A. The next subscription that I find is on June 17, 1868, when the following order appears on the minutes of the trustees:

"Mr. Durant offered a resolution 'that the treasurer, B. E. Bates, be instructed to subscribe for $1,500,000 stock of the Union Pacific Railroad Company at par, and make payment thereon.' Carried unanimously."

The following resolution appears immediately after the one I have just read:

"Mr. Bates offered a resolution that, in accordance with the provisions of the trust, a dividend of 60 per cent. in cash and 40 per cent. in stock of the Union Pacific Railroad Company be paid to the holders of the stock in the Credit Mobilier of America that have complied with the requirement of the trust, payable on and after this date. Yeas and nays vote taken. Carried unanimously. H. C. Crane, secretary.

"Approved and adjourned."

Q. State on what stock that dividend spoken of in the last resolution of 60 per cent. in cash and 40 per cent. in stock of the Union Pacific Railroad Company was made.—A. It was made on the stock of the Credit Mobilier.

Q. Was the stock of the Union Pacific Railroad Company divided under that resolution at its par value or at its real value?—A. At its par value.

Q. Now state whether any other subscriptions were made to the capital stock of the Union Pacific Railroad Company; and, if so, please give them.—A. I find in the book of the trustees that on July 3, 1868, the following resolution was offered:

"*Resolved*, That the treasurer be authorized and directed to subscribe for $2,500,000 in stock of the Union Pacific Railroad Company, and make payment therefor. Carried unanimously."

Q. Is that the next subscription that was made after the one you gave in your previous answer?—A. Yes, sir. On the same day, the 3d of July, the following resolution was adopted:

"*Resolved*, That the treasurer of the committee be directed to pay to such individuals, or to their order, as were stockholders in the Credit Mobilier of America on the first day of July, instant, an allotment in proportion as such parties were interested, say 75 per cent. in certificates for first-mortgage bonds in the Union Pacific Railroad Company, and 75 per cent. in stock of the Union Pacific Railroad Company, or at his option may sell the stock portion to the parties interested at 85 for every $75 of stock, payable on and after this day."

That was at the time that Mr. Fisk made that raid and broke open the safe of our company and drove the company from New York. They made that dividend, but they were never able to pay it in stock, and they issued certificates for stock. They were never able to pay it in bonds, but they issued certificates for bonds.

Q. Was there a meeting of trustees on the 8th of July, 1868, in New York?—A. There was such a meeting, as appears by the record.

Q. Read the proceedings of the meeting of July 8, 1868.—A. "Meeting of the trustees held at the office, July 8, 1868.

"Present, Messrs. Durant, Dillon, Bates, Bushnell, and Duff. The minutes of the last meeting read and approved.

"Mr. Bushnell offered resolution that the treasurer be authorized to sell 28,125 shares Union Pacific Railroad stock at not less than 40 per cent., first offering it to the parties interested in the contract *pro rata*.

"Mr. Bushnell offered resolution that the part of Mr. Bushnell's resolution of July 3d relating to an allotment of stock be rescinded.

"Mr. Bushnell offered resolution that we make an allotment of 20 per cent. in cash to the parties interested, in trust, payable as fast as the trustees receive the proceeds from the sale of stock of the Union Pacific Railroad Company.

"Mr. Bushnell offered resolution that the treasurer be directed and authorized to subscribe for 3,000 shares in the Union Pacific Railroad Company and pay therefor. Yeas and nays vote called. Carried."

Q. Does that vote apply to all the resolutions, as you understand it?—A. Yes; they were all adopted.

Q. Give us the next subscription, in order of time, that was made to the stock of the Union Pacific Railroad Company.—A. On September 3, 1868, Mr. Durant offered a resolution—

"That the treasurer be directed to subscribe and pay for $4,000,000 of stock in the Union Pacific Railroad Company, and purchase $2,500,000 of certificates for first-mortgage bonds of said company, at $101. Carried unanimously."

The payment of that stock was made as follows:

On the same day the committee on allotments reports as follows:

"The committee to which was referred the subject of a dividend recommends a payment of 40 per cent., payable in the stock of the Union Pacific Railroad Company, at 40 per cent. of its par value. Signed John Duff, B. E. Bates, Sidney Dillon."

"On motion of Mr. Bushnell, resolved, that the report of the committee be accepted and adopted. Carried unanimously."

Q. Give us the next subscription of stock to the Union Pacific Railroad Company.—A. In the proceedings of the board of trustees of December 28, 1868, the following action appears:

"Mr. Bushnell offered a resolution that the secretary be directed to call on the Union Pacific Railroad Company for payment of $11,666,333, the amount due contractors as by the estimates of the chief engineer dated December 31, 1868. Carried unanimously.

"Mr. Bushnell offered a resolution that the treasurer be directed to subscribe and pay for $7,500,000 of stock in the Union Pacific Railroad Company. Roll called, and carried unanimously.

"Mr. Bushnell offered a resolution that an allotment be made to the parties of the trust, 200 per cent. in stock of the Union Pacific Railroad Company at par, in accordance with the trust. Yea and nay vote taken. Carried unanimously.

"Mr. McComb offered a resolution that the allotment made this day be payable on and after January 1, 1869. Carried."

Q. Now give us the next subscription to the stock of the Union Pacific Railroad Company.—A. At a meeting of the board of trustees of the Davis contract, on 22d June, 1869, at the Union Pacific Railroad office at Boston, the following was adopted:

"On motion it was resolved that John Duff and C. N. Bushnell be a committee to negotiate with Governor Evans in respect to iron and material for the Denver road; and it was voted that the Union Pacific Railroad Company be called upon to pay us ten millions of dollars, on account of such sum as shall appear to be due to trustees, and the treasurer is hereby authorized to subscribe to stock in said company to

sufficient amount to cancel its obligations to the trustees to the amount for which we are under obligations to subscribe under the contract, deducting what has been or may be received for securities.

"*Resolved*, That Messrs. Bates and Duff be a committee with authority to sell $5,000,000 of Union Pacific Railroad stock, at not less than 50 of the par value, at such terms as they may deem best.

"*Resolved*, That John Duff, Oliver Ames, and C. N. Bushnell be a committee to adjust all accounts due the contractors on the line of the road. Passed on a yea and nay vote, unanimously."

Q. What body of persons is it whose action these resolutions set forth?—A. Trustees.

Q. Of what?—A. Trustees under the Ames and Davis contracts. All these resolutions have been the resolutions of the seven trustees.

Q. Were there any subscriptions paid to the capital stock of the Union Pacific Railroad Company after that alluded to in the last resolution read?—A. I think there was no other. This last is dated June 23, 1869, and the next date I find is February, 1870, so that there is a gap of seven months, but I think that that embraces about all the stock subscribed for.

Q. You think that there was no stock subscribed for after that which you have stated in your last answer?—A. I think not.

Q. Is all the stock that was ever subscribed to the Union Pacific Railroad Company embraced in the amount subscribed as appears on pages 70,-1,-2,-3, of the books to which you have referred, and that subscribed in 1866 and '67 which you have stated and that named in the various resolutions you have now set forth in your answer?—A. According to my best knowledge. I cannot say but that there may have been some between those points. What was subscribed under the Hoxie contract I have no knowledge of. This is what was subscribed under the Oakes Ames contract. I think that all other stock that has been subscribed has been subscribed by the Credit Mobilier under the Hoxie contract. I am not certain that there is other stock, but I am certain that this book embraces all that has been subscribed since my connection with the company. Still there may have been some stock subscribed under the Hoxie contract which they have not put down.

Q. How was the residue of the stock paid in above the 10 per cent. of which you spoke, for the subscription on pages 70,-1,-2,-3, of the book to which you have referred?—A. It never was paid up. They abandoned their subscriptions, except a few persons, and what they had paid in was paid back to them.

Q. Then that subscription was entirely abandoned and never stood afterward in the stock of the Union Pacific Railroad Company?—A. No, sir. Some abandoned it entirely and had nothing to do with it, and some took out new stock, and some were paid quite a large sum for their interest in the subscription.

Q. Then, if I understand you, in so far as the same persons who subscribed in the first subscription became subsequently stockholders, they made new subscriptions and got credit for the 10 per cent. they had paid in on their old subscriptions?—A. Yes.

Q. Others abandoned their subscriptions, left the company, and had their money paid back?—A. Yes.

Q. And all the future government of the company was embodied in and represented by the subscriptions that were made after the law of 1864?—A. Yes, sir.

Q. When the shares were reduced to $100 each?—A. Yes.

Q. At what places were books, to receive subscriptions to the capital

stock of the Union Pacific Railroad Company, opened?—A. In New York, Boston, Baltimore, Saint Louis, Philadelphia, and Chicago. We have all the books here except the Chicago book.

Q. How long were the books kept open?—A. The books were never returned until 1869, after the office was removed to Boston. We called the books in, but the one from Chicago has never been returned.

Q. Were any subscriptions made to the capital stock of the company at any other place than at the principal office at New York?—A. Yes, sir; these books show a few subscriptions; I think there were a few in Boston. The books do not show that any were subscribed at any place but New York and Boston.

Q. When were these books opened at the various places named?—A. At the time mentioned in the law. They were sent out to these various places for subscriptions.

Q. Was there any public notice given through the newspapers, or otherwise, inviting subscription and notifying the public of the opening of the books at the places designated in the act of Congress?—A. I suppose there was, but this was all before I had anything to do with the company. The records of the company show that there were very spirited meetings called. They were advertised very generally.

Q. Was it before or after the act of 1864?—A. Before the act of 1864.

Q. How was it after the act of 1864; did you send out any subscription-books after the act of 1864 was passed?—A. That I do not know. These books lay there all the time. They were not called in till 1868.

Q. Was there any notice given to the public of the opening of these subscriptions after the passing of the act of 1864?—A. That I cannot say.

Q. State how the stock that was subscribed by the persons whom you have named as having subscribed in 1866–'67 was paid in.—A. I think that only 10 per cent. was paid on them.

Q. Can you state that 10 per cent. was paid at the time of subscription—paid in money—by those gentlemen whose names you have given as having subscribed in the years of 1866–'67?—A. The first subscription was paid under the Credit Mobilier contract by Thomas C. Durant.

Q. How much?—A. Five thousand shares.

Q. Describe how it was paid.—A. That was a subscription by the Credit Mobilier of America, and I presume it was paid by the indebtedness of the Union Pacific Railroad Company to the Credit Mobilier for the construction of the road. John A. Dix is the next subscriber for fifty shares. Whether he ever paid for that I do not know. The next is Thomas C. Durant, ten thousand shares, and the next under that is Credit Mobilier of America, by Thomas C. Durant, two thousand shares. I presume that both these were paid in the same way.

Q. And what way was that?—A. Both were paid by the indebtedness of the Union Pacific Railroad Company for the construction of the road under the Hoxie contract, amounting to about $12,000,000. The next is Mr. Charles Tuttle, who was the assistant treasurer of the Union Pacific Railroad Company. His subscription was for twenty shares. I presume he never paid anything on that. The next is Thomas C. Durant, by H. C. Crane, attorney, 2,000 shares, and the next is the Credit Mobilier of America, by Thomas C. Durant, president, nineteen thousand two hundred shares.

Q. How was that paid up?—A. That I cannot say. This embraces all that is in here.

Q. Did this continue to stand on the books of the company, so far as

you know, as stock represented in its government?—A. No, sir. Stock was only represented when it was issued. Of course no stock was issued except when it was paid for.

Q. Was that stock canceled and issued in new forms to other parties, or did it remain ever afterward as stock subscribed and paid for and voted in the government of the company?—A. I think it was never voted in the government of the company unless it was paid for.

Q. And you do not know whether it was all paid for?—A. No, sir; I do not. No stock was ever issued after my connection with the company unless it was paid for at par.

Q. How was the residue of the stock, which is spoken of in the various resolutions you have caused to be put in your evidence, paid up?—A. It was paid up by the indebtedness of the Union Pacific Railroad Company to the contractors. There is here on the Boston book, under date of October 7, 1869, a subscription to fifty thousand shares of the stock of the Union Pacific Railroad Company by John A. Rice, assistant treasurer of the seven trustees under the Davis contract. On January 26, 1870, John A. Rice, assistant treasurer of the trustees, ten thousand shares. On February 11, 1870, John A. Rice, assistant treasurer of the trustees, twenty thousand shares. On February 18, 1870, John A. Rice, assistant treasurer of the trustees, ten thousand. July 29, 1870, John A. Rice, assistant treasurer of the trustees, thirty thousand shares.

Q. State on what authority or directions these subscriptions of Mr. John A. Rice were made.—A. By resolutions of the trustees, precisely the same as I have read before.

Q. Please turn to those resolutions directing these subscriptions by Mr. Rice as treasurer.—A. That book is not here. The book that will show that is on its way here from New York.

Q. I believe your answer is already down that these subscriptions were made by direction of the seven trustees?—A. Yes.

Q. State how these various subscriptions made by Mr. Rice were paid up. State it minutely and fully.—A. Under the Ames and Davis contracts, under which the road was constructed at that time, the Union Pacific Railroad Company owed to the trustees large amounts of money, and by the terms of the trust we were obliged to subscribe for stock to the amount of any balance that was due.

Q. Were these various subscriptions paid up by a credit to the Union Pacific Railroad Company for work done under the Ames and Davis contracts?—A. Yes.

Q. Go to the books and show where these credits are given.—A. I find the following entries in the ledger of the trustees: On pages 230 and 231 the Union Pacific Railroad Company is credited with twenty-two thousand nine hundred and sixty shares of stock as being issued to the trustees January 3, 1868; also, June 17, 1868, for cash for fifteen thousand shares, $1,500,000; also July 3, 1868, for cash for twenty-five thousand shares Union Pacific Railroad stock, $2,500,000; also July 14, 1868, for cash for three thousand shares Union Pacific Railroad stock, $300,000; also December 31, 1868, for cash for seventy-five thousand shares Union Pacific Railroad stock, $7,500,000.

Q. Can you give the residue of the payment made for stock which is not embraced in the answer you have now given as shown by the books?—A. No, sir.

Q. State whether any money was paid on any of the capital stock subscribed to the Union Pacific Railroad Company by any of its subscribers other than what you have stated in a former answer where you

said that 10 per cent. was paid by the original subscribers in 18[illegible]. A. I think substantially not, although I believe that in some of the [illegible] issues of the stock to the parties who took it under contracts $1 [illegible] share was paid.

By Mr. HOAR:

Q. When these subscriptions were made by the Credit Mobilier [illegible] tees to the capital stock of the Union Pacific Railroad Company, w[illegible] was the process? What happened at the time of the payment? W[illegible] there any absolute payment in cash on these subscriptions, or was [illegible] mere payment in road bill?—A. It was a payment in road bill; we p[illegible] cash for building the road, and then we took stock from the compan[illegible] payment of the expenditures.

Q. But you would not have considered that stock as equivalent to [illegible] much cash in payment for your expenditures?—A. No, sir; we would [illegible]

Q. Therefore you did not consider the amount of expenditure in r[illegible] building, which you paid in for the stock, as equivalent for so m[illegible] cash, did you?—A. No, sir; I would have been loath to have take[illegible]

Q. Then, so far as the subscriptions of the Credit Mobilier were c[illegible] cerned, there was no cash payment for subscriptions except so far as t[illegible] might be considered equivalent?—A. We actually paid cash; the Un[illegible] Pacific Railroad Company agreed to pay to contractors so much mon[illegible] when the contractors came to us with their bills, we, the Union Pac[illegible] Railroad Company, if we had not bonds to pay them, paid the bala[illegible] in stock; we sold our bonds and paid in cash as far as it would go, or [illegible] paid them in bonds, which, by the contract, they were obliged to ta[illegible] and the balance, due on the contract, we were obliged to pay in stock[illegible]

Q. My question is whether $100 in stock, so subscribed for and [illegible] paid, was deemed by either party to the transaction as equivalent [illegible] $100 in cash?—A. By the Union Pacific Railroad Company of cours[illegible] was equivalent to $100, but the man who took it would have been v[illegible] glad to sell it for $30 or $40.

Q. As contractors you got cash, bonds of the company, and Gov[illegible] ment bonds for building the road?—A. Yes.

Q. You did not regard that, in paying you for building the road, $[illegible] in stock was worth its face to you?—A. No, sir.

Q. You expected to get something else beside that $100 in stock, [illegible] your $100 worth on your contract?—A. Yes. The stock was really [illegible] worth to the contractor who took it par by any means, because it co[illegible] be always bought in the market as low, generally, as from $30 to $[illegible]

Q. Then, if the $100 in stock was only worth about $30 or $40 to [illegible] contractor to whom it was paid, in proportioning what he renders [illegible] the company between what was given as an equivalent for its stock [illegible] what was given as an equivalent for its Government bonds and w[illegible] was given as an equivalent for its own first-mortgage bonds, he did [illegible] render to the company $100 in value for every $100 in stock, did he [illegible] A. No, sir.

Q. Was there any actual going through the ceremonial of paying [illegible] cash on those subscriptions to the treasurer of the Union Pacific R[illegible] road Company?—A. Yes, there was always a check given.

Q. But the money never got into the treasury of the Union Pa[illegible] Railroad Company, I suppose?—A. The Union Pacific Railroad C[illegible] pany gave the trustees a check for the amount due, and the trus[illegible] turned over that check in payment to the Union Pacific Railroad C[illegible] pany for stock.

Q. There never was any interval between the payment of this ch[illegible]

for stock and handing of it over again in payment of the contract?—A. Probably not.

Q. When you made, in behalf of the Union Pacific Railroad Company, the contract with Mr. Oakes Ames as contractor, you expected that the transaction which you have now described would be the substance of the transaction that would take place, did you not?—A. Substantially.

Q. At that time was any person, so far as you know, interested either legally or by any equitable agreement, with Mr. Oakes Ames in that contract?—A. No, sir.

Q. You understood that no other person was interested with your brother in that contract, directly or indirectly, at the time he took it?—A. No, sir.

Q. Was it expected, so far as you know, by any other party, that any others would come in and be interested in it afterward?—A. I think it was.

Q. What was the expectation?—A. I think that the expectation was, that the parties in interest in the Union Pacific Railroad Company would aid him in carrying out that contract.

Q. What is your reason for supposing that that was the expectation?—A. I do not know that I have any reason for it. I felt so myself, that I was willing to join him in the thing, and I think that others did.

Q. You were his general business partner, were you not?—A. I am.

Q. Had you any interest, or right to acquire an interest, by your express understanding, or by course of business, in this contract with your brother?—A. No, sir.

Q. When you say you were his general business partner, you do not mean that your partnership was so general as to include this transaction?—A. No, sir.

Q. This expectation or understanding, I suppose, was expressed in words or in conversation, was it not?—A. I have no recollection of its being so.

Q. This right to come in and share in the profits and losses of a contract amounting to some $47,000,000, was there nothing which rendered it distinct in the minds of the parties, or in your mind?—A. No, sir; there was that general feeling, but I do not think that there was ever anything said about it, only that Mr. Oakes Ames would do it for the benefit of his associates in the road.

Q. Was that said? That is the point of the inquiry. I want to know whether the understanding was either put in writing at the time, or was understood verbally among these gentlemen, that when Mr. Oakes Ames made that proposition to the company he represented the rest of the gentlemen whom he afterward took in with him?—A. I do not think there was the least understanding about it at all.

Q. So if it had been ascertained the next week that Mr. Oakes Ames would be able to go on with this contract and make ten or twelve millions of dollars profit, there was no legal, equitable, or honorary right on the part of anybody else to share those profits?—A. That is the way I understood it.

Q. The Hoxie contract had been previously acquired by the Credit Mobilier, had it not?—A. Yes.

Q. And the profits in that had been shared by these—— A. Stockholders of the Credit Mobilier.

Q. Now, when your brother took this contract, there was a provision in it by which he was to be paid (as has been testified to by other witnesses) for a good many miles of the road at a large price which had been already built, completed, accepted by the Government, and paid for at

a small price. Now, why was that done?—A. That road which was completed beyond the one hundredth meridian was in a very imperfect state. In fact, there was really no equipment on it. There were no depots of any consequence on it, although there were some that were necessary to run it. The road-bed was done, and that was about all. That was done for the purpose of making the whole contract for the 667 miles, and he took it at a lower rate. That road cost nearly $42,000, when it came to put on the equipment.

Q. That was limited to $7,500 a mile?—A. Yes; $7,500 a mile of equipment was to be put on. Then the depots, the round-houses, and all these things were not up at that time. The work had been hurried through. He was to do all these things and to complete the 667 miles, and we thought we had got a very good contract out of him in having it done at $42,000 a mile, when we had been just paying $50,000 a mile for that portion below it.

Q. Who are the "we" who had got the good contract?—A. The Union Pacific Railroad Company.

Q. But as you understood, the gentlemen interested in the company would share the benefits of it?—A. We were willing to take the risks; we did not know whether there would be a profit or a loss in it, but we were willing to take the risks. It was a pretty difficult thing. I knew that at that time I would have been very glad to have paid $100,000 to any person to have taken our places. For a year or two we were paying 18 or 19 per cent. for money. We paid 19 per cent. for money in New York to carry on this work. We were deeply in debt and very much embarrassed, and we were using our credit to the utmost extent in driving the work along. For a period previous to the Ames contract, and for six months afterward, I think there was none of us who was not willing to have gone out at the loss of half of what we had paid in. It was further supposed at the time that contract was taken that the mountain region would be very much more expensive than it proved to be. We got a very much better line than we anticipated. I know that the Government directors at that time thought that the contract was very favorable. We had five eminent men from the Government on that board, and they even insisted that we must make a provision that we would continue to build the road. They supposed when we got that contract that we would not go on with the rest of the road.

Q. Who were those five gentlemen?—A. Charles Sherman, George Ashmun, Jesse L. Williams, Mr. Harbaugh, and T. J. Carter.

Q. Was the character of the route and the existence of the pass which is now called the Evans Pass, communicated to the Government directors at that time so far as you know, through which the road was in fact built?—A. I think there was always a free discussion in the board over the whole thing. I think that Mr. Jessie L. Williams knew very well about it. He had been all over the country. The general feeling at the time was that we were going to take a long route by going up the Cache la Poudre, but this proved to be a better route and a shorter one.

The CHAIRMAN. It is proper to call your attention to the importance of this point, so that you may make your statement fully and carefully. Mr. Durant testified that he knew of this pass in 1863, and Mr. Dey testified, I believe, that in his judgment it was not known till the end of the year 1865. Now, what I wish to know about it is, whether the gentlemen who built the road communicated anything on the subject that you recollect to the Government directors at the time of making that contract; and if so, what it was?—A. I did not know, and I was not aware

that we were going to have so favorable a route. We supposed just previous to that time that the route would be up the Cache la Poudre, coming down almost to Denver.

Q. Was not the road located at the time you made the contract with your brother, by the way it now goes?—A. No, sir; I think not.

Q. Is that not included in the first Oakes Ames contract?—A. I was thinking that it was not.

Q. You did not let it without knowing where the road was to be located?—A. The road was not thoroughly located at the time.

Q. I suppose that the pass through the Rocky Mountains through which the road was to go was determined upon at that time?—A. I do not recollect whether it was or not.

Q. You acted as the president?—A. I was the president of the road.

Q. What was the cause for the removal of Mr. Dey from his office as engineer?—A. I suppose because we got a better man in General Dodge.

Q. What was the particular want of capacity in Mr. Dey?—A. I do not know. Before I went on the road he was removed.

By Mr. SHELLABARGER:

Q. Suppose that the trustees who built the road had made one hundred miles of that road for $30,000 a mile, amounting to $3,000,000, and by their contract with the Union Pacific Railroad Company they were entitled to receive $96,000 a mile, and thus made a profit of the difference between $30,000 a mile, which it cost, and $96,000 a mile, which they received from the Union Pacific Railroad Company, how much stock would that one hundred miles entitle the trustees to? Would it entitle them to the $3,000,000 worth of stock or the $9,600,000 worth?—A. It would entitle them to the difference.

Q. I want you to understand my question. Here is one hundred miles of road for which the trustees actually paid in cash $30,000 a mile, in construction; but their contract with the Union Pacific Railroad Company gives them $96,000 a mile. How much stock would that one hundred miles of construction entitle the seven trustees to?—A. It would entitle them to the difference between the bonds which they received for the construction of the road and the amount due under the contract. For instance, we make a contract to do that work for $96,000 a mile in the mountain region. If we get $48,000 in Government bonds and $48,000 in first-mortgage bonds, then we do not get any stock; but if we get only $64,000 in bonds, then the balance is paid in stock.

Q. At what rate?—A. At par.

Q. So that in the construction of those one hundred miles for which the Credit Mobilier was entitled to $96,000 a mile, they would get first whatever the Government bonds and the first-mortgage bonds would yield in money?—A. Yes.

Q. Then they would get the residue of the $96,000 a mile in stock at par?—A. Yes.

Q. And all that would be received for an outlay in cash of $30,000 a mile which it cost the trustees to make the road?—A. Yes, if it cost only that.

Q. You stated that the work was very imperfect on that part of the road which was partly finished at the time the Oakes Ames contract was made, and which was included in it. Now, I ask you whether there was not a considerable part of it so complete as that the company had induced the Government to accept it as complete?—A. I think there was, over one hundred miles.

Q. Now, if there was over one hundred miles of the work actually accepted by the Government, at the date of the letting of the Oakes Ames contract, why was it not excluded from the Oakes Ames contract, and the residue which was actually to be made let at its fair value, and on its own estimates?—A. We supposed that it was nothing but a fair contract to put that in, and make him equip it. All that it had cost the company was, of course, charged up, and the Oakes Ames contract paid for that road as far as it was built.

Q. But if there was a margin of several thousand dollars per mile between what Mr. Ames was charged with as the cost that had been expended in making it as far as it was then made, and the amount which Mr. Ames got for making that part complete, then he would have all that profit?—A. Yes, sir.

Q. Why did you let that road at all without any surveys or estimates by the engineers covering the entire line let under the Oakes Ames contract?—A. We had estimates in part from the engineer; we could not have known exactly about it at any time.

Q. How could estimates be in possession of the road at the time of the Oakes Ames contract, when, as you have said, you did not know where the road was going to be made, and didn't know that it would turn out near as favorably as it did?—A. The route turned out much more favorably than we supposed.

Q. How was it possible, when you neither knew the route of the road nor that it would turn out near as favorably as it did, for you to have any estimates or knowledge of what was a just price to let the road to Mr. Ames?—A. We acted on our best judgment.

Q. But your best judgment was based on absolute ignorance, if I understand you, of even the location of the road?—A. No, sir; I do not think it was absolute ignorance.

Q. I will ask you this question: you have stated that you included that finished work in the contract with Oakes Ames because you believed that it was a favorable contract?—A. Yes, sir.

Q. And that you would not have been able to let it so low had the completed part not been included in the contract?—A. Yes, sir.

Q. How could you have supposed that when you did not know where you were going to make the road and didn't know the character of the mountain it was going to pass over?—A. Well, we supposed the road would be much worse over the Rocky Mountains than it proved to be; we found the rock to be much softer than we contemplated, and that was less road-cutting than we thought there would be.

Q. Then the only thing you were lacking in information about was not the topography of the country, or the grades, or the mountains, but was simply the character of the rocks that were to be excavated?—A. I know the character of the rock was much better than was thought. It was softer. The granite seemed to be disintegrated as we went into it.

Q. Now, Mr. Ames, another question. It has been testified, in substance, that surveys, instrumental surveys, were made of the entire road let to Oakes Ames before such letting was made, and that maps and profiles of the road were put in possession of the Union Pacific Railroad prior to the letting. Is that true or not true?—A. Well, I think it is true. I think there were surveys made of several routes. The favorite route, in the early history of the road, was the Cache la Poudre route; but the new route over the Black Hills, by way of Cheyenne—the Lodge Pole route, as we now term it—proved to be the best route

Q. When was that route adopted?—A. I think it was adopted after the Oakes Ames contract was made.

Q. Were there profiles and estimates put in possession of any officer of the Union Pacific Railroad Company for the route upon which Oakes Ames did, in fact, construct the road?—A. I think not.

Q. Then at the date of that letting, you had no survey, neither in the way of location, nor in estimates, nor in profiles, of the route that was, in fact, adopted and constructed under the Oakes Ames contract?—A. I think we had surveys of both routes, of both the Cache la Poudre route and the Lodge Pole route, but as to having any definite survey of the quantity of material to be used, or anything of that kind, I think we had not.

Q. I think your answer does not quite cover my question. My question is this: Was that particular line, upon which the road was constructed, shown by any maps, profiles, or estimates in possession of the company before the Oakes Ames contract was made in August, 1867?—A. That I could not say.

Q. Now where are these estimates, surveys, maps, and profiles upon which the contract was let?—A. The profiles and maps are filed here, in the office of the Secretary of the Interior.

Q. You are speaking of the profiles required to be filed by act of Congress before you got your bonds?—A. Yes, sir.

Q. But I am asking you in regard to the profiles that you had when you let the Oakes Ames contract; where are they?—A. I could not tell you. I think they are in New York. I have no recollection of seeing them with the other papers that were removed to Boston.

Q. Now state to the committee what estimates, maps, or profiles were in possession of the company upon which they let the contract on the 8th of August, 1867, to Oakes Ames?—A. My recollection on that point is not perfect enough to answer.

Q. Then I will put the question in this shape, and confine your answer, please, to the line of road that was adopted; state whether any maps or profiles or estimates were scrutinized by you before you let the Oakes Ames contract?—A. Yes, sir; I think there were. We had maps there always, more or less—maps of the line.

Q. Of that particular line you built the road upon?—A. I am not very sure about that.

Q. Now, if there were such, can you enable the committee to find them?—A. Yes, sir; I think all the papers in reference to profiles, &c., are in Mr. Durant's office in New York. I do not think they were brought over to Boston.

Q. Suppose the fact were that a large portion of this road had been constructed and accepted by the Government before you let the Oakes Ames contract in August, 1867, and that the cost to the Pacific Railroad Company was greatly less for that part than the amount you agreed to pay Oakes Ames, how would you reconcile the letting to him of the finished work at a greatly higher price than it had already cost the company, with justice to the stockholders of the Union Pacific Railroad Company, if there was at the time of letting the contract to Oakes Ames an understanding by which the stockholders in the Union Pacific Railroad Company were to have the benefit of profits made by Oakes Ames on the finished part of the work?—A. When we let the contract our opinion was that the price was not high.

Q. But how could you suppose that giving him forty-two or forty-five thousand dollars per mile for what had been finished and accepted by the Government, and had cost the company but twenty-seven thousand

dollars per mile—how could you suppose that that would be justice to the other stockholders if they were not to share in the profits made by Oakes Ames?—A. I do not recollect how much of that road was built. I think there was some completed, but, taking the whole contract together, we thought it a fair contract, throwing in that to sweeten the rest.

Q. But you said a little while ago that you knew very little about the residue of the contract; how could you know whether it was a fair price or not?—A. We had an idea that the country was pretty rough over the mountains, and that it would cost a great deal to go over them. That was the general report.

By Mr. HOAR:

Q. When the Hoxie contract was made, was it not understood that it should inure to the benefit of somebody else besides Hoxie?—A. I suppose so, because Hoxie was a man of no means. That, however, was long before I had any connection with the Union Pacific Railroad.

Q. Were you one of the original stockholders of the Credit Mobilier?—A. No, sir.

Q. But before the Credit Mobilier had any contract, or became interested in any contract in the Union Pacific Railroad, you were a stockholder in it?—A. No, sir; I think not.

Q. When did you become a stockholder in the Credit Mobilier?—A. In 1865.

Q. Well, now, from the time you became a stockholder in the Credit Mobilier, was it not understood that the contracts for the construction of the Union Pacific Railroad should inure to the benefit of the stockholders of the Credit Mobilier?—A. It was understood that the contract should inure to the benefit of the stockholders in the Credit Mobilier who were stockholders in the Union Pacific Railroad Company.

Q. And all the stockholders in the Credit Mobilier, by virtue of the dividend, became stockholders in the Union Pacific?—A. Yes, sir; because the Credit Mobilier in this last contract was only interested to the extent of a certain percentage. It was to advance the money, and receive 2½ per cent. commission and 7 per cent. interest.

Q. And that understanding was in existence from the time you took stock in the Credit Mobilier down to the completion of the Oakes Ames contract?—A. The Credit Mobilier, as I understand it, was a distinct corporation, and its interest in the Oakes Ames contract was only 7 per cent. interest on such money as it might advance, and 2½ per cent. commission, making about 14 per cent. in all.

By the CHAIRMAN:

Q. Let me read you an extract from the testimony of Mr. Alley: "The contract was not given to the Credit Mobilier on account of any feeling against it on the part of the chief men and managers of the Union Pacific Railroad Company, but they gave it to Mr. Ames, and all the parties interested had perfect confidence in him that he would do what is right, and would give to every man an interest such as belonged to him. The contract was executed in that way. The Credit Mobilier as a corporation had no jurisdiction over, or voice in it, or anything to do with it?"—A. That is my understanding of it.

Q. Mr. Alley also says: "The corporation had no interest except as I have described. When Mr. Ames took this contract it was subject to the assent of the stockholders of the Union Pacific Railroad Company; but he said he knew the stockholders of the Credit Mobilier were the parties to whom it really belonged, and if there was any benefit to be

ceived from it he thought it was fair and just to give every stockholder in the Credit Mobilier the right to come in and take an interest under the contract on signing an agreement to become personally liable, and that was regarded as satisfactory?"—A. Yes, sir; that is my idea.

Q. Then your understanding of this thing is simply this: that when this contract was let to Mr. Ames it was the understanding that all the shareholders in the Credit Mobilier should have an interest in it?—A. That was the general feeling.

Q. Was that the general understanding?—A. That was the general feeling, and understanding, perhaps; but I do not think there was any definite understanding of that kind.

Q. There had been no definite written agreement between Mr. Ames and these shareholders at the time of this contract?—A. No, sir.

Q. But there was an understanding that they were to have an interest in it?—A. Yes.

Q. And in pursuance of that understanding this contract was assigned to these seven trustees?—A. Yes, sir.

Q. Now, Mr. Ames, I want to direct your attention for a moment to this matter that has been spoken of in regard to letting the contract for road that had already been accepted by the Government. There had been at the time the Oakes Ames contract was assigned about 138 or 140 miles completed and accepted by the Government, had there not?—A. A certain amount was completed; I do not recollect the amount.

Q. Before the road could be accepted by the Government it had to be ready for the service contemplated by the act of incorporation, and supplied with all necessary drains, culverts, viaducts, crossings, sidings, bridges, turnouts, watering-places, depots, equipments, furniture, and all other appurtenances of a first-class railroad. Now, so far as the road had been accepted by the Government, these conditions had been complied with, had they not?—A. Yes, sir; I suppose so. But when we had twenty miles of track laid we had built all culverts and such things to make the road ready before the machine-shops were ready, or the equipment on hand.

Q. Do I understand you that when the various sections of this road were accepted by the Government these requirements of the charter had not been complied with?—A. There was a good track and everything of that kind, but the depots and machine-shops, and everything of that kind, could not be built so rapidly as we ran the road along, and the equipment did not necessarily require to be so large when we were constructing the road as was necessary to be put on afterward.

Q. But were not the equipments necessary before there could be an acceptance of the road by the Government?—A. We furnished all necessary equipment, but we did not furnish the equipment necessary for a road doing a heavy business.

Q. Well, there had been some 138 miles of road completed and accepted by the Government at the time the Oakes Ames contract was let. Now, I would like you to explain, if you have any explanation to give, why that 138 miles of road was included in this Oakes Ames contract at $42,000 a mile, when it had cost the company but $27,000 a mile?—A. I can only say, as I have said before, that we put it all together in the Oakes Ames contract, and did not think we were giving any too much for it.

Q. But why the necessity of letting over again a road that was already constructed?—A. By the contract with Oakes Ames this road was to have the equipment on it.

Q. Now, Mr. Ames, I would like to ask you a direct question. Did

you not, by virtue of that contract with Oakes Ames for this 138 miles that had already been constructed, derive a large profit from the Union Pacific Railroad, and was not that profit made upon the very instant that that contract was signed?—A. That was very probably the case.

Q. Did you not, in less than two months after that, declare a large dividend to the shareholders of the Credit Mobilier?—A. I think we did; the trustees declared the dividend.

Q. Did these trustees have any existence as a board of trustees prior to the assignment of the Oakes Ames contract?—A. I think not.

Q. Then all the assets they had out of which they made a dividend they derived from the Oakes Ames contract between the date of its assignment and the date that dividend was declared?—A. I suppose so.

Q. Was not a very large proportion of the dividend which they distributed on the 12th of December, 1867, derived from the profits that were made by the extension of the Oakes Ames contract over that portion of the road which had already been accepted by the Government?—A. Very probably it was.

Q. Had there not been very considerable amount of track laid—nearly one hundred miles—in addition to what had been accepted by the Government at the time of the Oakes Ames contract?—A. I do not know about that. I suppose the books will show.

By Mr. SHELLABARGER:

Q. When did you discover that the route was of a more favorable character than you had supposed it to be at the time of the letting of the Oakes Ames contract?—A. I do not know; within a few months afterward we had reports from the mountains that it was more favorable.

Q. Who made that report?—A. I think General Dodge; he was chief engineer of the Union Pacific Railroad at the time.

Q. Did you not discover the character of the rock until you came to make the road?—A. I think not.

Q. When did you make this discovery?—A. I think it was in 1867.

Q. Did you reach the mountains as soon as 1867?—A. Yes, sir; men were put into the mountains immediately.

By the CHAIRMAN:

Q. Can you tell how much this 138 miles of completed road that was included in the Oakes Ames contract had cost the Union Pacific Railroad Company?—A. I cannot.

Q. Was it to exceed $27,000 a mile?—A. I do not recollect.

Q. Have you any impression on that subject?—A. I have no distinct impression.

Q. Have you any indistinct impression?—A. I have an impression that there was an estimate that it would cost between $27,000 and $28,000 a mile, but I do not recollect distinctly enough to say what it was.

Q. Were there receipts given by the stockholders of the Credit Mobilier to the board of trustees when they received the dividends that were declared?—A. Yes, sir; the book of receipts is here. (Book shown.)

Q. What does this book contain?—A. It contains the Oakes Ames contract, the assignment of that contract, extracts from the minutes of the meeting, and the receipts given by parties for their dividends.

By Mr. SWANN:

Q. Did you represent to the Government from time to time, as you received your bonds, that the road completed up to that time was finished road and fully equipped?—A. Commissioners came out for the

Government and examined the road, and upon their certificate we got the bonds. We had no representations to make about it; the commissioners examined the road and made their report.

Q. What I want to know is, whether the road was represented by yourself to the Government to be a finished road in all its equipments?—A. The engineers generally went over with the commissioners and examined the road, and upon their certificate we got the bonds.

Q. I understand you to say that the water-stations were not completed?—A. No, sir; I did not state that. I said this, that the road was a completed road so far as the contract was concerned, but that in regard to the equipment of the road we had not all the equipment that was necessary at that time. When the road was not completed and not open to travel, we only wanted equipment enough to haul the rails, &c.

Q. Did you consider that as the full equipment of the road in accordance with the requirements of the law?—A. Yes, sir.

Q. How many engines did you have?—A. We had all that was necessary to do the work; I do not know how many.

Q. I understand you to say that the engine-houses were not built?—A. We built the engine-houses as they were needed. There were probably temporary houses built.

Q. Were there any watering-stations built?—A. There must have been watering-stations; we had windmills up all along the road.

Q. How could these commissioners accept the road when it was in this unfinished condition, and no railroad man would understand it was in a finished condition in accordance with the requirements of the law?—A. I think it was. I think the Union Pacific road was as well built as any road in the western country.

Q. But I am speaking of the equipment of the road?—A. You would not ask us to have as large an equipment as was necessary when the road was in full operation. We had eminent gentlemen out there as commissioners, and they said it was all right.

Q. Do you know how much was paid under the Hoxie contract for the equipment of the road?—A. I do not. Hundreds of thousands of dollars have been spent in engine-houses and the like. We built them just as fast as they were needed.

Q. But this was done subsequently; you got your bonds when there was a great deal to be done that was required to be done?—A. The Government knew all about it just as well as anybody; they sent three men to examine every twenty miles of the road, and reported that it was up to the full requirements of the law.

By Mr. HOAR:

Q. Did I understand you to state that when this 138 miles of finished road was included in the Oakes Ames contract, there still remained something to be done to complete it? Did the Oakes Ames contract bind him to do anything more than the previous contract had bound him to do—that is, to complete the road according to the acts of Congress?—A. I do not know how the Hoxie contract read. The Oakes Ames contract required that portion of the road to be equipped. He was to put on so many engines and so many cars.

Q. Well, did not the trustees, before your brother had done any work on that part of the road, proceed to divide the difference between the rate per mile on his contract and the rate per mile under the previous contract, among the stockholders of the Credit Mobilier, without any deduction for expenditure on that part of the road?—A. I suppose that was the case.

By Mr. SHELLABARGER:

Q. I will read you that part of the contract which refers to this matter. The second clause stipulates: "The whole to be constructed in good workmanlike manner, upon the same general plan and specifications adopted east of the hundredth meridian of longitude. The party of the second part shall erect all such necessary depots, machinery, tanks, and turntables, and provide all necessary machinery and rolling-stock, at a cost of not less than $7,500 per mile in cash, and shall construct all necessary side-tracks as may be required by the party of the first part, not exceeding six per cent. of the length of the road constructed and to be constructed under this contract." Now, is there any other requirement in this contract, or anywhere else, in regard to the amount of rolling-stock, machinery, and equipment to be furnished, than this stipulation I have just read?—A. I think not.

Q. Now, was not all that was required of Oakes Ames also required of the other contractor, who had so far completed his work that it had been actually accepted by the Government of the United States?—A. I think that the amount of rolling-stock required by the Oakes Ames contract had not been put upon it.

WASHINGTON, D. C., *January* 24, 1873.

Examination of OLIVER AMES continued.

By the CHAIRMAN:

Question. Were you acting as president of the Union Pacific Railroad Company on the 9th of March, 1871?—Answer. No, sir; I think not.

Q. Who was president at that time?—A. Mr. Thomas A. Scott, I think. I went out on the 8th of March.

Q. Were you present at a meeting of the board of directors in Boston, on the 9th of March, 1871?—A. I went out on the 8th of March, 1871. I very probably was present.

Q. Do you recollect a committee being appointed to make an examination into a matter respecting special legal expenses?—A. I think I do. I think such a committee was appointed.

Q. Do you know the character of expenditures that were to be considered by that committee?—A. No, sir.

Q. Had you been in the city of Washington shortly before that meeting, and when the legislation of 1871 was pending before Congress which grew out of the action of the Secretary of the Treasury with reference to the matter of transportation?—A. No, sir; I never was in Washington when there was any subject up for legislation concerning the Union Pacific Railroad Company, that I recollect. I never knew anything of any matters connected with legislation for the Union Pacific Railroad Company.

Q. Do you recollect the committee having made a report in reference to these special legal expenses to the board of directors?—A. No, sir; I do not think the committee ever made a report; I have no knowledge of any such report.

Q. Do you know the handwriting of General G. M. Dodge?—A. I think I do.

Q. Look at this report, (producing the report put in evidence by E. H. Rollins.)—A. I think that paper is not in the handwriting of General Dodge.

Q. Look at the signature.—A. The signature looks like his writing, but the body of the paper is not in his handwriting. The signature looks to me like his, and yet it is a little plainer than he generally writes.

Q. Whose writing is the body of the report in?—A. I do not know.

Q. At this meeting of the board was this matter of special legal expenses discussed?—A. No, sir; not at all.

Q. Do you recollect the amount of special legal expenses that were under consideration?—A. No, sir; I have not the least knowledge of it at all.

Q. Was the character of these special legal expenses discussed before the board at that time?—A. No, sir.

Q. Have you any knowledge or information as to what the character of that expenditure was, or the purpose for which the money was expended?—A. I have not; not the least.

Q. Have you any information on that subject?—A. I have not.

Q. Was not that matter called in question in any way before the board of directors at that time?—A. No, sir.

Q. You know nothing about it, either personally or from information?—A. No, sir; not at all.

By Mr. SWANN:

Q. When such large amounts were appropriated by any authority in your board, were you not in the habit of considering them?—A. I was not an officer of the company at that time. I was not president at the time. I went out the day before.

Q. Did you go out of the direction?—A. I was on the board of directors.

Q. You knew nothing of the expenditure of this money?—A. No, sir; not at all.

Q. Or of the direction which it took?—A. No, sir; I know that we paid to Mr. E. R. Hoar, to Mr. Curtis, and to other gentlemen, their fees for legal opinions, which were printed at the time, but no large sums of money.

Q. They were not connected with the legal officers of the company?—A. No, sir.

Q. They were outside of your regular appointed corps of legal advisers?—A. Yes, sir.

Q. Do you know what your legal expenses were to those who had been permanently appointed by the company? Can you say what the aggregate paid to these lawyers was?—A. I cannot.

Q. The ordinary fees of counsel were submitted to your board, I suppose?—A. Generally.

Q. Not always?—A. We have certain local counsel, whom we pay regularly so much per month for services. We have Mr. Sidney Bartlett, in Boston, and Emmett, Hammond, and Pomeroy, in New York.

Q. Do you know any reason why this large appropriation of $126,000 was not submitted to the board?—A. I do not.

Q. Do you not consider it a rather extraordinary transaction that so large an amount of money should have been put into the hands of anybody without some knowledge on the part of the board?—A. The expenses seemed to have been very large. I did not know for what purpose they were used, and I did not desire to know anything about it.

Q. Why had you no desire to know anything about it? Would it not have been your duty, as a member of the board, to have looked into that subject?—A. It was a committee in which we had confidence, and

we felt that if they had expended the money they had expended it for the best interest of the road.

Q. But you never heard how it was expended, in any shape or form?—A. No, sir.

Q. Did that amount ever appear on your books in any way?—A. I suppose it does; I never examined the books to see.

Q. Was it not your custom to have entered on the books of the company large amounts of this sort that had been disbursed?—A. I suppose it was on the books of the company.

Q. But you are not certain that it was entered on the books of the company?—A. I did not look to see.

Q. You have not any idea as to how that money was disbursed?—A. Not the least.

Q. You never heard of any member of Congress who had received any portion of it?—A. No, sir; I do not believe it was ever applied in that way at all.

Q. In what way?—A. To any member of Congress for services. I never heard that it was so applied.

Q. Would you not have considered it your duty, as a member of the board, if you had heard of that transaction, to have protested against it?—A. Yes, sir; I should.

Q. And you would have protested against it?—A. Yes, sir; I should have protested against it.

Q. You never heard of the mode in which this thing was accomplished, the circuitous manner in which this money was paid?—A. No, sir.

Q. It never came to your knowledge?—A. I had no knowledge of how it was used or how it was paid.

Q. Or how it was proposed to be paid?—A. No, sir.

Q. Or who paid it?—A. I have no knowledge of anything about it.

Q. I understand you then to say, as a member of the board of directors, that you have no information on the subject, and that this large amount of $126,000 was disbursed by the committee, out of the funds of the company, in this irregular way, without your knowing anything about it?—A. Yes, sir.

Q. Do I nndersand you to say that no member of the board knew anything about it?—.A That I do not know.

Q. You never talked with them on the subject, or never heard the thing talked about as an irregular proceeding?—A. No, sir.

Q. You do not know of any similar case in which money had been distriuted to such a large amount without some record having been made of it in the minutes of the board?—A. Charges for legal expenses are not made on the minutes of the board. They are made on the books of the company.

A. It seems to be extraordinary that a transaction involving so large an amount of money should not have been the subject of some comment among the members of the board?—A. There was no discussion or no comments in the board while I was present. A committee was appointed to settle legal expenses, and that was all.

Q. You were always regularly in attendance at the meetings of the board?—A. I was there off and on. My own office was very near, in the same building.

Q. And you never heard of how that money was expended, in any shape or form?—A. No, sir.

By Mr. SHELLABARGER:

Q. When did you cease to be president of the board?—A. On the 8th of March, 1871.

Q. That was a few days after the act of 3d March, 1871, which required the deduction of but one-half the earnings of the company for Government transportation?—A. Yes.

Q. And you were president of the board at the date when that act was pending in Congress?—A. Yes.

Q. Who constituted the committee that came to Washington to look after your interests in relation to that act?—A. I do not recollect.

Q. Was not G. M. Dodge one of the committee?—A. G. M. Dodge was here. I do not think there had been any special committee appointed by the board. He was a director in the company at that time, and was here looking after our interests.

Q. Do you know that funds were put in the hands of some of those gentlemen who were connected with your road for the purpose of being expended here in the interest of the company during the pendency of that legislation?—A. No, sir; I do not.

Q. Do you know that it was not so?—A. I think it was not so.

Q. Why do you think it was not so?—A. Because I think that if it were so I should have known it previously to my going out of the office as president.

Q. These special legal expenses mentioned in the report that has been shown, and which report has Mr. Dodge's name, which you say is genuine?—A. I think it is genuine.

Q. These special legal services were rendered at the date of that report?—A. I presume they were. I do not know what the amount of them was. I only heard, when the resolution was adopted, that it was $136,000.

Q. State to the committee what special legal services were rendered to your company that were not rendered by the gentlemen you have named in a former answer.—A. I cannot tell you anything about it. I do not know anything.

Q. Did any member of your direction, either yourself as its president, or any other member, know what these special legal services were?—A. I suppose they may have known. I do not know anything about it. I was not here at the time.

Q. My question is not intended to ask you precisely what the services were; but what they were about?—A. That I cannot tell you. I do not know anything about it. I suppose it was for the purpose of getting favorable legislation.

Q. Was there no report, either verbally or in writing, at any time rendered to your board as to who performed these special legal services?—A. Not to my knowledge; I have never seen such a report.

Q. In a transaction of this magnitude, had it been discussed in the board, you would have been apt to remember something about it, would you not?—A. I think I should. It was not discussed in the board, I am very positive.

Q. Can you tell the committee why it never became a matter of action, or of consideration, on the part of your board, as to the intrusting of these services to any board or committee—I mean these services in looking after this favorable legislation which you spoke of a moment ago?—A. Our board of directors—that is, myself and the majority of them—had always looked to Mr. Oakes Ames to look after our matters at Washington, and believed he would do whatever might be necessary for the interest of the road.

Q. He was then a member of Congress?—A. He was.

Q. The effect, then, of what you design to say is, that your understanding, and your board's understanding was, that these special ser-

vices were rendered in behalf of securing legislation in the interest of your company?—A. Yes, sir.

Q. But you can give no detail as to whom the money was paid to, nor by whom it was paid, nor what the services rendered by the lawyers were?—A. No, sir; I cannot.

Q. Can you tell the committee whether the money which this report orders to be paid was paid before this transaction of the 9th of March, and that this was merely a method of settling without vouchers for it; or was the money paid over to them in obedience to the report of the committee?—A. I think it was paid over to them in obedience to the report of the committee.

Q. Then any funds that may have been advanced before in behalf of these special legal services were not furnished by the Union Pacific Railroad Company, but were furnished by somebody else?—A. Yes, sir.

Q. And you paid the money which re-imbursed them, if they had expended these funds before that?—A. Yes, sir.

By the CHAIRMAN:

Q. You spoke of services rendered to the company by Mr. E. R. Hoar. You refer to the ex-Attorney-General?—A. Yes, sir.

Q. Were any of the services which he rendered in the nature of an argument which he made to the Attorney-General?—A. Yes, sir; a written argument.

Q. And not an opinion rendered to the company?—A. No, sir; it was for an argument; it was for services rendered in his office at Boston.

Q. The services that were rendered by ex-Attorney-General Hoar and Mr. Curtis, and the others whom you have referred to, were not embraced in this $126,000?—A. I think not.

Q. You said, in answer to an interrogatory put to you by Mr. Swann, that you had no desire to know what this was for. Why had you no desire to know what this money was expended for?—A. I did not care to know anything about it. I did not feel any interest in it.

Q. Why did you not care to know?—A. I can only say that I did not care to know.

Q. What was it that you did not care to know?—A. I did not care to know anything about it.

Q. I should like to know why you did not care to know what disposition was to be made of this large sum of money?—A. I felt just in this way about it: that the committee which had been here and had expended that money was a committee of responsible gentlemen, and that I did not care to inquire as to how they spent it. I was perfectly satisfied that they had spent it for the best interests of the road.

Q. Did you not regard the expenditure of that money as a questionable transaction, and was not that the reason why you did not care to know of the disposition they had made of it?—A. Not exactly so.

Q. Then please to explain.—A. If it were a questionable transaction, I, of course, should not have wanted to inquire into it at all; because I should not like to know that the company had employed money in any way that was questionable. I had great confidence in the men that were appointed to look after the interests of the Union Pacific Railroad Company here, and I felt that they were acting entirely in the interests of the railroad, and would not spend any money wastefully or wrongfully.

Q. Still you were a director in the board of the Union Pacific Railroad Company?—A. Yes, sir

Q. And $126,000 of the money of the Union Pacific Railroad Company was being paid out, and you say you did not care to know what had been done with it. Now I would like a distinct answer to my question why it was that you did not care to know?—A. If any portion of that money had been employed wrongfully, then I certainly should not have wanted to know it.

Q. Was it not because you were apprehensive or suspicious that it might be learned that there had been some improper use of that money, that you did not care to know or to investigate where it had gone?—A. I do not know but that was the fact. I do not think, however, that it was employed wrongfully.

By Mr. SHELLABARGER:

Q. You have just now stated in substance that if the moneys were employed wrongfully or improperly, then you would not want to know it. Am I right in understanding your answer in that way?—A. Yes, sir.

Q. Now I wish to ask you this question: If the moneys of your road were sought to be expended for the purpose of corrupting legislation, would you not, as the president of that road, want to know it, and want to prohibit the payment of the men who had spent it corruptly?—A. Why, certainly I should have wanted to prohibit the use of it corruptly. But my confidence in the people was such that I did not believe they would use it corruptly.

Q. Who were the people who used it?—A. When I say "used it," I mean the people who had the management of our interests here.

Q. Who were they?—A. Mr. Oakes Ames and General Dodge were directors of the Union Pacific Railroad Company at that time, and I think they were here looking after the interests of the road.

Q. These were the gentlemen in whom you had the confidence you have expressed?—A. Yes, sir.

Q. If you have as fully answered my question as you desire, I am content; but I will repeat it so that you may fully answer. You have said that if the money was improperly expended, then you, as an officer of that road, would not want to know it, thereby meaning, as I understand it, that you would pay the money without knowing whether it was used corruptly or not, and would, for that reason, not want to know. My question is whether that is your answer—that the reason why you did not want to know was, that if the money was paid corruptly you would want to pay it without knowing that it had been used corruptly?—A. I would not have wanted to pay it if it had been used corruptly, but my confidence in the people who had the management of our interests here was such that I did not believe they would use it corruptly.

Q. Then, why not investigate the matter, and require the ordinary vouchers, showing the particular services rendered, to be presented as is done in other cases in your company, and know all about it before you made the payment?—A. I suppose that was done by the committee appointed to look after that. I was not on that committee, and was not an officer of the road whose duty it was to look after the vouchers.

Q. Can you point out any other case in the history of the company where legal services were paid for without the designation to the company of the persons who rendered the services or of the services rendered?—A. I do not know of any.

By Mr. SWANN:

Q. When was this committee appointed?—A. At the meeting of the 4th of March.

Q. You were present at the appointment of the committee?—A. Yes, sir.

Q. Have you known of any other single instance, in which a committee had been appointed by your company, where the board gave it unlimited power over the funds of the company to the extent of $120,000, or any other amount?—A. I have not.

Q. Giving unlimited power to the committee to spend that money without being accountable to the board—you are not aware of any other instance?—A. No, sir.

By Mr. HOAR:

Q. After the execution of the Oakes Ames contract it was assigned to this board of trustees, for the stockholders of the Credit Mobilier, and at that time, or thereabouts, Mr. Ames was released by the Union Pacific Railroad Company from personal liability under the contract, was he not?—A. Yes, sir.

Q. And the trustees undertook to engage that it should be fulfilled—that is, the engagement of these trustees was substituted by the Union Pacific Railroad Company for the engagement of Mr. Oakes Ames?—A. Yes, sir.

Q. Now, what in fact, after this arrangement was made, were his relations to the construction of the road—that is what I want to get at. He remained a party largely interested by reason of his stock in the Credit Mobilier, did he not?—A. Yes, sir; and of his stock in the Union Pacific Railroad also.

Q. Now, what did he do—what was it that was expected by his associates in this contract of Mr. Oakes Ames after that, as his share of the general looking out for the general interests of the party?—A. He was to do nothing more than any other stockholder of the Union Pacific Railroad Company. He assigned his entire right in the contract.

Q. But he was a stockholder of the Credit Mobilier?—A. Yes, sir, and of the Union Pacific Railroad Company.

Q. Had he any special authority?—A. No, sir.

Q. Had he any authority to dispose of stock in the Credit Mobilier after that time?—A. No, sir.

Q. I see that he held some stock and that you held some stock; was that stock held by you and him as a joint transaction in fact?—A. Stock standing in my name was held jointly by us. The stock standing in his name was his own stock.

Q. How came the joint stock to be in your name as an individual?—A. We started in that way. He thought it would be better for me to hold it, and I did so.

Q. There seems to have been three modes of entry of that stock on the books—Oliver Ames, Oakes Ames, and Oakes Ames, trustee?—A. Yes.

Q. I want to know whether Mr. Oakes Ames, after that time, had any office or duty in connection with the contract?—A. He had none—no more than any other stockholder of the company, excepting that he owned the largest interest in the stock of the Union Pacific Railroad Company.

Q. I do not know whether you and he have your property pretty much as common property, or whether you have separate property and interests to a large extent?—A. Our property is largely together.

Q. Suppose your brother Oakes had lost heavily on this stock which stood in his name as an individual, is the arrangement between you

and him such that you would have come in and assumed half or other share of that loss in fact?—A. Yes.

Q. Then you regard the stock held by Oliver Ames and Oakes Ames both as really joint stock for all practical purposes?—A. Yes.

Q. How was it with this stock that was entered "Oakes Ames, trustee?"—A. That I do not know anything about. I had no interest in the stock standing on the books in his name or as trustee.

Q. Then I am afraid you have misunderstood me. I asked you whether, if your brother had lost heavily on the stock that stood in his name individually, the relations between you is such that you would have come in and shared in that loss?—A. No, sir.

Q. Any more than if it had stood in the name of John Brown or any entire stranger to you?—A. No, sir.

Q. You answered before that you would have shared in the loss.—A. I understood your question to be in reference to the property which we held jointly.

By the CHAIRMAN:

Q. You were president of the Union Pacific Railroad Company on the 4th of August, 1869?—A. Yes, sir.

Q. Do you know of a note for $2,000,000 having been given on the 4th of August, 1869, by the Union Pacific Railroad Company?—A. Yes, sir.

Q. State for what consideration that note was given?—A. As the balance of the account due to the Credit Mobilier on the first 247 miles of the road built. There was that amount due on that contract.

Q. How was that amount ascertained on the 4th of August, 1869?—A. It always stood on the books of the company as due.

Q. On the books of what company?—A. On the books of the Union Pacific Railroad Company.

Q. Can you show on the books of the Union Pacific Railroad Company where that balance has stood in favor of the Credit Mobilier?—A. I am not familiar with the books, but that has always been the report—that we were in debt to the Credit Mobilier on the Hoxie contract to that amount.

Q. Did you make any investigation of the books at the time that this note for $2,000,000 was given?—A. The books were investigated at that time, and that balance was found due by the Union Pacific Railroad Company.

Q. Who presented the books at the time that note was given?—A. Mr. Williams was treasurer of the Union Pacific Railroad Company, but I think Mr. Ham made an examination of the books at that time. Mr. Ham was the book-keeper of the Credit Mobilier, and came over to Boston. The account was made up and that note was given. That note was given for a specific purpose—to guarantee certain parties who became obligated for the payment of any sum that might be found due to the State of Pennsylvania in a suit that had been brought against the Credit Mobilier for taxes on dividends.

Q. In whose hands was that note placed?—A. In the hands of Elisha Atkins.

Q. Was there any considerable amount of extra work done under the Hoxie contract?—A. I think not.

Q. If there was any amount of extra work done I presume it was estimated by the engineer, and reported to the Union Pacific Railroad Company?—A. Yes, sir; I presume so. I do not think there was any extra work done. I do not know of any.

Q. Did you ever hear of any extra work having been done under the Hoxie contract in addition to the contract price that was stipulated for?—A. No; I was not in the company at the time of the Hoxie contract, except during the last part of it. It has always been my idea that the Union Pacific Railroad Company owed under that Hoxie contract to the Credit Mobilier about $2,000,000.

Q. The Hoxie contract was for $50,000 a mile?—A. Yes.

Q. And the length of road covered by it was 246 miles and a fraction?—A. Yes, sir.

Q. Calculating it at 247 miles, $50,000 a mile would make $12,350,000?—A. Yes.

Q. Look at the account of the Hoxie contract in the ledger of the Union Pacific Railroad Company and see whether, on the 30th of March, 1867, there had not been paid under the Hoxie contract $12,550,278.94?—A. (After consulting the ledger.) It seems so by the book.

Q. That was more than the Hoxie contract would come to at $50,000 a mile?—A. Yes, sir.

Q. Then, how will you account for the fact that, on the 4th of August, 1860, an additional sum of $2,000,000 was charged up to that Hoxie contract?—A. I do not understand it.

Q. Is it possible that under the Hoxie contract there could have been performed work in excess of the contract price to the amount of $2,000,000?—A. I am not able to answer that question.

Q. If there had been paid on the 30th of March, 1867, $12,550,278.94, that would be, as I understand you, an excess of the contract price?—A. Yes.

Q. Then have you any mode of explaining how it came that two years afterward an additional sum of $2,000,000 was added to the cost of this contract?—A. I am not able to say. I know that the accounts were made up at the time that note was given.

Q. If this sum of money had been paid up to the 30th of March, 1867, and if this note of $2,000,000 be paid, it will make the Hoxie contract cost the Union Pacific Railroad Company $14,550,278.94?—A. Yes, sir.

Q. Which is more than $2,000,000 in excess of the contract price as appears by the books?—A. Yes, sir. I know that at the time this note was given it was stated that there was due under the Hoxie contract an amount equal to the amount of that note; and that note was given for that specific purpose and is now in the hands of Mr. Atkins. The purpose for which it was given has expired, as the suit has been decided and nothing has come of the note.

Q. But it is still outstanding as a debt against the Union Pacific Railroad Company, is it not?—A. Yes.

Q. And if it is paid it will go to the stockholders of the Credit Mobilier, will it not?—A. Yes, sir.

Q. Or, in other words, it will go to the Credit Mobilier as a part of the assets of that corporation?—A. Yes, sir.

Q. When this note was given did you take the statement of Mr. Ham as to the indebtedness of the Union Pacific Railroad Company to the Credit Mobilier?—A. Mr. Ham and the treasurer of the Union Pacific Railroad Company, Mr. Williams, made up that account.

Q. What official relations did Mr. Ham bear toward these two corporations at that time?—A. At that time he bore no relations to the Union Pacific Railroad Company.

Q. What relations did he bear to the Credit Mobilier?—A. He was treasurer of the Credit Mobilier.

Q. Then in giving this note for $2,000,000, the Union Pacific Railroad Company took the statement of an officer of the Credit Mobilier?—A. The treasurers of both companies looked over their accounts.

Q. What interest had Mr. John M. S. Williams in the Credit Mobilier at that time?—A. He was, I think, a small stockholder in the Credit Mobilier, and also in the Union Pacific Railroad Company.

Q. He had a pecuniary interest in the Credit Mobilier?—A. Yes, and a like one in the Union Pacific Railroad Company. I will say in reference to that note that Mr. Atkins holds that note, and is ready to destroy it or give it up at any time; and the account can stand on the books just as it is now. He wanted to destroy the note as the purpose for which he held it has been accomplished, and, if the account on the books is correct, then we owe the money on the books of the company.

Q. But nevertheless the Union Pacific Railroad Company, as I understand you, by the execution of the note has recognized the fact that it owes the Credit Mobilier $2,000,000 on that old Hoxie contract?—A. Yes.

Q. And so recognizes it still, I suppose?—A. Yes, sir.

Q. Then why should the note be given up if you owe the money?—A. There is no reason why, perhaps; but then the thing would stand in precisely the same position as it does now. The understanding at the time that note was given was that the Union Pacific Railroad Company did owe under the Hoxie contract $2,000,000.

By Mr. HOAR:

Q. You were one of the trustees of the Credit Mobilier stockholders?—A. Yes, sir; I am one of the trustees in the Oakes Ames contract.

Q. For the stockholders of the Credit Mobilier?—A. Of the Union Pacific Railroad Company. I do not recognize the Credit Mobilier at all in executing the trust as trustee.

Q. Your duties as trustee were to collect and pay over the profits on the Oakes Ames contract to such stockholders of the Credit Mobilier holding stock in the Union Pacific Railroad Company, and giving the required irrevocable power of attorney in proportion to their stock?—A. Yes, sir.

Q. Now, then, you were a trustee for these persons, and the persons so described were all the stockholders of the Credit Mobilier, were they not?—A. Yes, sir.

Q. There was not any stockholder of the Credit Mobilier who did not come within that definition—first, holder of stock in the Union Pacific Railroad Company, and second, having signed that irrevocable proxy?—A. No, sir.

Q. Then the fact is that you did divide the money among the stockholders of the Credit Mobilier in proportion to their stock?—A. Yes.

Q. Now, if the Union Pacific Railroad Company owed the Credit Mobilier that $2,000,000, why did you not, in the exercise of that trust, collect it and pay it over?—A. The trustees had no authority over it. The Credit Mobilier had the claim against the Union Pacific Railroad Company.

Q. Why did not the Credit Mobilier do it?—A. That is a question to be asked of its officers.

Q. But it is one for the stockholders, of whom you are a pretty large one?—A. I am also an equal stockholder in the Union Pacific Railroad Company.

Q. I ask you, in your capacity as stockholder in the Union Pacific

Railroad Company, why you did not pay it, and in your capacity as stockholder in the Credit Mobilier, why you did not collect it?—A. The Union Pacific Railroad Company did not have the money to pay it.

Q. Could it not have paid that $2,000,000, if it had been called for at any time during the last two or three years?—A. Very probably it might.

Q. You were president of the road and know. I put it to you as a practical question, could the Union Pacific Railroad Company have paid that $2,000,000 at any time since it fell due, if it had been called upon to do it?—A. That I cannot answer.

Q. Do you believe it could?—A. I believe it might have paid it.

Q. Do you believe it could pay it to-morrow if demanded?—A. No, sir.

Q. Could it have paid it at any time within the last twelve months if demanded?—A. I do not think it could have paid it without making a loan from somebody else.

Q. Do you believe it could make a loan of $2,000,000 from somebody else?—A. I think it could.

Q. Unless sustained by the individual credit of some of its directors or of somebody interested in keeping up its credit, do you think the Union Pacific Railroad Company could have paid that note on the strength of its own resources without availing itself of other means?—A. No, sir; I think not.

Q. Then, if that was the case, how did that $2,000,000 become security? Was it good security for the $2,000,000 to the persons to whom it was delivered?—A. It was prospectively so.

Q. What do you mean by that? Be good enough to explain it a little more fully.—A. Almost all of us who were interested in the Union Pacific Railroad Company believe that it is going to be a successful and prosperous line, and that it will make money hereafter enough to pay the interest on all its bonds, as it is now doing, and will be able not long hence to pay a dividend on its stock; and we believe that prospectively the Union Pacific Railroad Company will be able to pay all its debts—not to-day.

Q. Then you believe that the Union Pacific Railroad Company is not able to pay its debts to-day without the aid of the individual credit that is interested in keeping up its credit?—A. I should hardly want to say that. It might affect the credit of the company for me to say that.

Mr. HOAR. I know that, and I would be very sorry to affect the credit of the company, and I would not put such a question lightly; but it is very important for this committee to know what are the resources and credit of this company now with reference to the Government claim. You are aware that the Government claims that it is entitled to receive the interest as it is paid, while the company takes a different view of the law, and it is important for us to know what are the resources of the company. It may be important to us to know, on the one side, whether the insisting on this claim, if it be valid, would make the company bankrupt; and it is important for us to know, on the other side, whether it is likely to be paid hereafter. I want to know, therefore, what your belief is as to its resources. Make your answer to this question, and make it as fully as you think the interests of the company require you to do; whether, in your judgment, the Union Pacific Railroad Company is able to pay its outstanding debts in the course of business without the aid of outside credit?

The WITNESS. I would prefer not to answer that question at all.

Mr. HOAR. I will not take the responsibility alone of urging it.

would make known to you, however, that the treasurer of your company does not think that it is, and has so testified; and, if you think proper to qualify that opinion, it seems to be a good time now for you to do so. (To the committe.) I will not press that question any further, but I will move that the witness be at liberty to make any explanatory statement to the committee hereafter during the examination on this subject that he may desire to make.

The CHAIRMAN. That is the privilege which the committee accorded to the treasurer, Mr. Rollins.

The vote was taken, and it was so ordered.

The WITNESS. I would have no objection to making an answer in writing to the committee, but I would hardly like to have it go out.

By the CHAIRMAN:

Q. You stated yesterday that you were not familiar with the books of the company. I desire, however, to attract your attention to an entry on the journal of the contractors of the Union Pacific Railroad Company, on page 18—an entry bearing date 3d January, 1868. Please to read it?—A. (Reading.)

"Credit Mobilier of America, Dr.

To cash for on account of agreement with them for contract, $1,104,000."

Q. See whether that same item appears on the ledger of the same date. If it does, read the ledger entry in relation to it?—A. (Looking at the book.) It does appear under the same date. The entry is—

"By Credit Mobilier of America, on account of agreement for contract, $1,104,000."

Q. At that time you were the president of the Union Pacific Railroad Company?—A. I was.

Q. Do you know what that item is for?—A. For moneys advanced by the Credit Mobilier to the Union Pacific Railroad Company, on account of the contract.

Q. On account of what contract?—A. The Ames contract. The Credit Mobilier agreed to advance that sum of money.

Q. Was the Credit Mobilier furnishing money at that time to the Union Pacific Railroad Company?—A. Yes; the capital of the Credit Mobilier went all into the construction of the Union Pacific Railroad. What little there is left of it is not of much account.

Q. Can you tell in what way that money was advanced by the Credit Mobilier to the Union Pacific Railroad Company; was it all in one item?—A. I presume not.

Q. It is all entered in the journal as one item, and is carried into the ledger in the same way; do you know whether that was money that was actually furnished to the Union Pacific Railroad Company?—A. I cannot tell you. I suppose the book-keepers of the company could make all these items out.

Q. You are not able to make any further explanation in regard to it?—A. No, sir.

Q. On that day there was a dividend declared by the trustees of the stockholders of the Credit Mobilier, was there not?—A. That I do not recollect now.

Q. Look at the record and see?—A. (After examining the record.) Yes, sir.

Q. What was that dividend?—A. That was a dividend under the

Ames contract; all these dividends were under the Ames contract and were made by the trustees.

Q. Have you the proxies that were given to the board of trustees pursuant to the assignment of the Ames contract to vote the six-tenths of the stock?—A. No, sir.

Q. Where are the proxies?—A. They were given up at each voting; I think the last time they were voted was by Mr. Bates; I voted them once.

Q. Do you know where these proxies are?—A. They were filed with the election papers probably; at the time the votes are given the proxies are put in.

Q. Is it a fact that the stockholders in the Credit Mobilier who owned stock in the Union Pacific Railroad Company did give proxies to vote six-tenths of their stock?—A. Yes, sir.

Q. And these proxies were used by these trustees in voting at the elections of the Union Pacific Railroad Company?—A. Yes, sir.

Q. Did these proxies cover stock enough to control the election of directors?—A. They did.

Q. For what length of time?—A. I think for two elections, in 1867 and 1868; that is my impression.

Q. Did the stockholders sign the agreement that was contemplated by the Oakes Ames contract on its assignment?—A. They did.

By Mr. SHELLABARGER:

Q. You stated that the proxies at each voting were given up?—A. When we voted we handed in our proxies; I voted these proxies, I think, in 1867, and handed them in to the inspector of election.

Q. Where is the irrevocable instrument of proxy that was delivered to the seven trustees?—A. I do not know.

Q. Was there a separate paper of that sort which read as giving an irrevocable proxy?—A. Yes.

Q. Where is that paper or those papers?—A. I cannot tell you where they are.

Q. Did you ever see them?—A. If there was any such paper given, I, of course, saw it.

Q. You signed such an instrument, did you not?—A. Yes, sir.

Q. Did all the others sign an instrument of that character along with you, or was there a separate instrument executed by each person giving the irrevocable proxy?—A. My recollection is that we all signed the same paper.

Q. Where is that paper?—A. That I cannot tell you.

By the CHAIRMAN:

Q. Is that a part of the papers belonging to this board of trustees?—A. I think it is.

Q. That is where it properly belongs?—A. Yes.

Q. Have you ever made search for it?—A. I never have. I think that this thing continued but two years—during the Oakes Ames contract.

Q. Was not the same thing repeated in the Davis contract?—A. I think not.

Q. Was it not stipulated for?—A. I think it was. I think the Davis contract was to be subject to all the provisions of the Oakes Ames contract.

Q. Do you know whether such an instrument was executed with reference to the Davis contract, after the Ames contract had term-

—A. My impression is that there was no such instrument executed
he Davis contract.
'ere there monthly estimates made up by the engineer, and re-
o the board of trustees?—A. Yes, sir.
WITNESS. In regard to the questions yesterday, in reference to
138 miles put into the Oakes Ames contract had been so put in,
ther carrying the idea that it was not a favorable thing for the
Pacific Railroad Company, I have a statement in my hand of the
he road per mile west of the one hundredth meridian, which was
ien the Oakes Ames contract was made, as follows:

it of cost of road west of one hundredth meridian per mile, built when the Oakes Ames contract was made.

road as per statement made		$27,500
ent, &c., to be furnished by Oakes Ames		7,500
ost of road		35,000
was received:		
in Government bonds, at 98	$15,680	
in first-mortgage bonds, at 90	14,400	
in stock, at 30	3,600	
		33,680
Union Pacific Railroad by including this road in con-		1,320

y the CHAIRMAN:
no made out this statement?—A. I made it out this morning.
that all the statement which you desire to make at present?—
is all the statement that I desire to make in reference to that

n say "cost of road as per statement made." What have you
e to?—A. That is the statement made, as I understood you, by
ant or Mr. Crane, that it cost $27,500 a mile.
t that included $7,500 per mile as equipment?—A. It included
h equipment as was on it, and not such equipment as Oakes
as to put on it.
at is the basis on which you start, that the road had cost $27,500
-A. Yes.
d to that you add $7,500 a mile for equipment?—A. Yes.
s there any record of these estimates kept in any way by the
trustees?—A. Yes, sir.
n you turn me to the record?—A. I do not think I can. I be-
ve got a lot of them here, (handing a package of papers to the
.)
ve you got all the estimates here?—A. A large number of them

that, if the equipment that was requisite was already on it, this
t would be erroneous to the extent of $7,500 a mile, would it
Yes, sir.
n say you got 120 shares of stock, and you put that down at 30
the dollar?—A. Yes.
s it true that the stock was paid for, dollar for dollar?—A. The
cific Railroad Company received dollar for dollar for it in the

CM

Q. In what way?—A. In the amount that the Union Pacific Railroad Company owed under the contract. It owed the contractors for the construction of the road.

Q. This 120 shares of stock of the Union Pacific Railroad Company, that was given per mile, had it ever been paid up before that time?—A. No, sir.

Q. Then the contractors were the original subscribers to that stock were they not?—A. They were.

Q. Then, as original subscribers for this stock, were they not bound to pay to the Union Pacific Railroad Company $12,000?—A. They were.

Q. The original stock was to be paid up dollar for dollar, according to the charter of the company?—A. Yes.

Q. These stockholders became the original subscribers?—A. Yes.

Q. Then, by virtue of this operation, which you have given on this statement that you have now presented to the committee, the Union Pacific Railroad Company, instead of getting $12,000 for this stock only got $3,600?—A. It got $12,000 according to that statement.

Q. The Union Pacific Railroad only got 30 cents on the dollar instead of dollar for dollar?—A. Why so? Were not the parties entitled to profit on their contract? They made a contract to build that road for $42,000 per mile, and that is what they received for it. They received so much in bonds and so much in stock; and that makes up $42,000 per mile which they were to receive. Now the contractors turn round and say "This stock is not worth dollar for dollar to us." Of course it was only actually worth to the contractors what they got for it.

Q. You present this in justification or by way of explanation of the fact that the company had let this road at $42,000 per mile, which had been already constructed. Now you know the fact that the law requires that the stock of the company shall be paid for dollar for dollar?—A. Yes.

Q. And you furthermore state that these contractors were original subscribers for the stock?—A. Yes.

Q. And you state, in addition to that, that instead of the company getting dollar for dollar on the one hundred and twenty shares of stock per mile, it only got 30 cents?—A. No, I say that the Union Pacific Railroad Company got $12,000 for the one hundred and twenty shares.

Q. Did the Union Pacific Railroad Company get dollar for dollar for that stock?—A. Yes, sir.

Q. What way?—A. In paying for the work at the contract price.

By Mr. SHELLABARGER:

Q. I understood you to say that when you came to settle with your contractors at the contract price, say $42,000 a mile, you found that the first-mortgage bonds and the Government bonds yielded a certain amount of that $42,000?—A. Yielded $30,000.

Q. Then you had a residuum to make up to pay the contract price of $42,000 a mile, and that residuum was made up by the issue of stock to the contractor?—A. Yes, sir.

Q. And the amount of stock which you issued to the contractor to pay that residue was such an amount as was required to make up that residue, at the rate of 30 cents on the dollar?—A. No; enough to make up the residue to $42,000 a mile. We have already received $30,000 and now we want $12,000 more to fill the contract. The contractor takes that stock at $12,000. Now, what that stock is actually worth to the contractor is the question—what he can sell it for in the market.

Q. How much stock was issued to the contractor for the payment

that $12,000?—A. Twelve thousand dollars' worth of stock—one hundred and twenty shares.

By Mr. HOAR:

Q. This $27,000 per mile was to be paid by Mr. Oakes Ames to the previous contractor?—A. Yes, sir.

Q. The company had in fact paid it, but it is charged as if it is a payment by him?—A. Yes.

Q. Did the previous contractor bind himself to take the same proportion of stock and bonds as Oakes Ames did? Was the previous contractor to have first-mortgage bonds and Government bonds as far as they went under the Hoxie contract?—A. He was, I believe, to a certain extent; I do not recollect the precise proportion.

Q. The point of my question is this: Leaving out any point about the depreciation of first-mortgage bonds and Government bonds, if you had contracted with Mr. Hoxie to pay him $27,000 a mile, and he was to be paid pay in these things that were nearly or quite as good as cash; and then you contracted with Oakes Ames to pay him $42,000 a mile, of which only $27,000 was to be received in something as good as cash, and the balance in your stock which was only worth 30 per cent., then you would be entirely justifiable in your explanation. That is, you would show that the company had gained and not lost by the transaction. The only objection to that proceeding would be that you were only getting really 30 cents on the dollar for your stock, while the act requires the stock to be full paid in cash. Now, how was it on the Hoxie contract, do you recollect?—A. I do not recollect. I only say that the Union Pacific Railroad Company did a good thing in this.

Q. In other words, you say that Mr. Oakes Ames added, after that contract was made, $7,500 or $8,000 a mile in actual cash value?—A. That he was obliged under the contract to do. I do not know how much he put on. I am not able to say.

Q. And that, although in form he got $42,000 a mile, yet in substance there was charged to him $27,000 a mile, which the company had already paid out, and that the balance, amounting to $15,000 a mile, which he would be actually entitled to receive, was substantially all or nearly all paid in stock that was only worth 30 cents on the dollar?—A. Yes.

Q. Therefore, in reality, what you paid him over and above the $27,000 a mile did not amount in cash value to more than he put in?—A. Yes; that is my point.

Q. That leaves you, then, to explain what I asked you yesterday—that is, whether you were not issuing your capital stock, which was required to be paid for in cash, to a person who only understood that he was paying 30 cents on the dollar for it, and that you were only getting what you understood was only worth 30 cents on the dollar?—A. I do not admit that the contract was not a strict contract, or that we did not pay the Union Pacific Railroad Company the full value of the stock.

Q. But if the Union Pacific Railroad Company was entitled to receive for their stock $100 in cash for each share, and had no business to part with it on any other terms, then the explanation you have now made will not stand fire.—A. Certainly.

Q. How many shares of stock did you deliver per mile?—A. One hundred and twenty shares—$12,000 worth.

Q. You were bound by law to treat that as being as good as $12,000?—A. Yes.

Q. Then, what did you get for that one hundred and twenty shares?—

A. The Union Pacific Railroad Company got $12,000; what the contractor got I do not know.

Q. But I thought that the Union Pacific Railroad Company only got what was worth $7,500 or thereabout?—A. We got what was agreed on in the contract, and under that contract we were obliged to pay the price specified in it.

Q. Now, in order to make your answer a good one, you have got to claim that the $12,000 of Union Pacific Railroad stock which you parted with was only worth 30 cents on the dollar to either party in the transaction.—A. That is true in relation to Mr. Oakes Ames.

Q. So that the legality and propriety of your action all comes to the question of the legality and propriety of issuing stock nominally at par to a contractor who treated it as only worth 30 cents on the dollar, although he called it par, and making up to him in the same contract the balance of the sum that he was to receive in cash or its equivalent?—A. Yes, sir.

Q. That is the substance of it?—A. Yes, sir.

By the CHAIRMAN:

Q. Are these estimates that you have handed to me all the estimates that were returned to the board of trustees?—A. I think they are; I did not examine them. They are estimates of the engineers.

Q. You found them among the papers of the board of trustees?—A. Yes, sir.

Q. This board of trustees had no existence, I suppose, until the assignment of the Oakes Ames contract?—A. No, sir.

Q. How happens it that the monthly estimates that were made prior to that time were returned to that board of trustees?—A. I think they were not.

Q. I find one here, dated the 31st of July, 1867; and the board of trustees had no existence until the 17th of October, 1867.—A. It must be a mistake.

Mr. OAKES AMES. That may apply to the portion of the road that was constructed before my contract.

The CHAIRMAN. (To witness.) What do you say in regard to that?

The WITNESS. (After examining it.) I have nothing to say in regard to it.

By Mr. SHELLABARGER:

Q. You said something awhile ago in relation to its not being expected that the contractor should take the stock at more than it was worth, and that it was worth then about 30 cents on the dollar.—A. I did not mean to be so understood.

Q. You spoke about the depreciated value of the stock at the time, and you spoke of it for some reason on which you acted in that transaction. What was it that you did say that grew out of the fact that the stock was worth only 30 cents on the dollar at the time of the contract?—A. There was no market value for the stock at the time of the contract. I do not suppose that it could have been sold at all.

Q. But Mr. Oakes Ames, when he took the contract, agreed to take a portion of his pay in stock?—A. Yes; at par.

Q. Now, what I want to get at is this: Whether, in letting the contract at the prices named in that contract, the prices of the letting were fixed with reference to the value of the stock as it then existed, and whether those prices were made higher, owing to the fact that the pay was to be taken in stock at par, which stock was not worth, as you

have said, anything much.—A. I may say that it was. The contract was taken with the idea that the stock was not worth par.

Q. And the price of the letting was increased accordingly?—A. Yes, on the idea that the stock was not worth par.

By the CHAIRMAN:

Q. Do you recollect the date of the last monthly estimate?—A. I do not.

Q. Do you recollect the number of miles, in all, in Oakes Ames's contract?—A. Six hundred and sixty-seven miles, extending to the 914th mile.

By Mr. SHELLABARGER.

Q. We went over the books yesterday, and saw the method in which the stock was issued, under the various resolutions of the board. I now want to ask a few questions in relation to that general part of the case. The stock that was issued to the contractors, or to the seven trustees, was for that amount of the work done which exceeded the proceeds of the two classes of bonds, was it not?—A. Yes, sir.

Q. Was all the stock that was issued simply for the excess of what the contract came to above what was yielded by the sale of the two classes of bonds?—A. Yes, sir. All the stock that was issued by the company was issued in payment of the contract for what was due above what contractors received from the sale of the bonds.

Q. So that that portion of the work that was paid for by the proceeds of the two classes of bonds was never represented by any stock issued?—A. No, sir.

Q. In making your contracts for the letting of the road, you stated awhile ago that you took into consideration the real value of the bonds, and that the contractors added the depreciation of the stock in which they would get their pay below par to the contract price at which the road was let as nearly as they could; am I right in that?—A. I cannot say what the contractors did.

Q. What did you do in your dealings with the contractors?—A. In our dealings with the contractors we were aware that the stock of the company could not be sold at par, and we gave them a correspondingly higher price.

Q. You also spoke a few moments ago about the stock not being worth over thirty cents on the dollar; was that about the estimate which, in these lettings and in giving an increased price, you placed upon the stock?—A. That I cannot say.

Q. You cannot tell the committee what the estimate was that the company put upon its own stock in these lettings?—A. No, sir, I cannot.

Q. Can you approximate about what you did estimate that stock to be worth to the contractors?—A. I think about thirty.

Q. What was the estimate that you put upon the stock that was agreed to be taken under the Davis contract; was it about thirty also?—A. About the same rate.

Q. Was all the stock that was issued in payment for work done under the Oakes Ames contract, and under the Davis contract, issued as original stock to the parties entitled to it?—A. It was.

The committee here took a recess till half past seven.

When the committee re-assembled, the examination of Oliver Ames was continued as follows:

By the CHAIRMAN:

Q. I wish to call your attention again to that item of $1,104,000, with reference to which you were examined this forenoon, and in that connection I will call your attention to the record of the trustees, page 24, and ask you to read the resolution which you find there.

The witness read as follows:

"Mr. Bushnell offered a resolution that the treasurer pay over to the Credit Mobilier of America, in accordance with the provisions of the contract of Oakes Ames and the Union Pacific Railroad Company of August 16, 1867, and the assignment to the trustees, the sum of $1,104,000, or a sufficient sum to enable them to make the stock of the Union Pacific Railway Company held by them full paid."

Q. Was that resolution adopted as appears by the record?—A. Carried unanimously.

Q. What is the date of that record?—A. January 3, 1868.

Q. Was your prior explanation on that item of $1,104,000 the correct one?—A. I must say that I do not understand the last part of that resolution now—"a sufficient sum to enable them to make the stock of the Union Pacific Railroad Company held by them full paid."

Q. Were you present at that meeting, as appears by the record?—A. Yes; I suppose I was.

Q. Are you able now to explain that transaction?—A. I am no more able to explain it than I was to-day—that the company was in debt to the Credit Mobilier.

Q. Which company do you mean?—A. The trustees.

Q. The trustees were in debt to the Credit Mobilier?—A. Yes, sir; the trustees of the Ames contract. Under the Ames contract the Credit Mobilier was to advance money, and was to receive 7 per cent. interest and 2½ per cent. commission on the money it advanced; but the last part of that resolution I do not understand at all; perhaps Mr. Alley may understand it.

Q. Can you give any further explanation of that item than you have already given?—A. No, sir.

Q. You were at that time, of course, connected with the Credit Mobilier?—A. I never had any connection with the Credit Mobilier as an officer.

Q. Were you familiar with the affairs of the Credit Mobilier as a stockholder?—A. Yes, sir.

Q. Do you know whether the Credit Mobilier held any stock of the Union Pacific Railway Company at that time?—A. I suppose they did; they must have held stock—a large amount of stock at that time.

Q. Mr. Oakes Ames held some stock of the Credit Mobilier in trust, did he not?—A. It is so recorded.

Q. Do you know for what purpose he held that stock?—A. No, sir.

Q. Did he not tell you the purpose for which he held it?—A. I only know from the accounts I have seen in the papers recently.

Q. Did Mr. Oakes Ames ever tell you—did you ever have any conversation with him at any time in regard to the purpose for which he held that stock?—A. I had.

Q. When was the first time you ever heard him speak of it?—A. I presume I heard him speak of it very near the time it was given to him.

Q. Did he tell you for what purpose he held it?—A. No, sir; he never told me for what purpose he held it.

Q. Do you know what disposition he made of it?—A. I suppose he

sold the stock to various parties; it was the purpose when he took it to sell it to various parties.

Q. Do you know to whom he sold it?—A. I do not. I only know this public rumor that is out now of his having sold it to members of Congress. I know if he did sell it to them, he sold it to them for all that he thought it was worth at the time. At the time we took that stock it was with great difficulty that we could induce our own people to take it; I know I was led up almost like a lamb to the slaughter, to take that stock which I took. I took over $100,000 of the stock, and I would very gladly have let anybody have it at very much less than I paid; but my interest in the Pacific Railroad and my desire to carry it through led me to take it.

Q. Do you remember at about what date Mr. Oakes Ames got that stock in trust?—A. I do not remember the exact date, but I think it was in 1867; in the winter of 1867, I think.

Q. Do you mean the winter of 1866-'67 or the winter of 1867-'68?—A. I mean the winter of 1867-'68. My recollection of the matter is this: that the time that we increased the stock of the Credit Mobilier from $2,500,000 to $3,750,000, was a time of great depression of our securities and great darkness in the affairs of the Union Pacific Railroad Company, all of us desiring to get out of it as well as we could; and that, feeling that we had a very large amount of money in there which we should perhaps lose, we increased the stock for the purpose of carrying the road through at that time. I think the books will show that. I know we had a meeting in an upper room in the Fifth Avenue Hotel with quite a large number of the leading stockholders of the Union Pacific Railroad Company, and we decided to increase the stock, and to subscribe *pro rata* for it; all of us desiring to get clear of it if we could get anybody to take our interest in it, and some of them took their interest, and immediately, if they could get a chance to sell it at a less price, sold it off. I took my interest in it, which was large, (I was next to the largest stockholder in the railroad company at that time,) with very great reluctance and fear; and at that time Mr. Oakes Ames said he thought that there were parties here in Washington who would take some of that stock; that he had talked with them about it; and the stock was promised to him then. It was agreed that he should have it. That is my recollection of the first mention of it. If I am right in my recollection about the time when this increase of stock was made, the transfer of the stock on these books to Mr. Oakes Ames was made quite long after it was sold to him.

Q. Was there anything said by Mr. Oakes Ames at the time you refer to as to the purposes for which he wished to use that stock?—A. No, sir.

Q. Was there anything said at that time as to the persons, or the class of persons, to whom he proposed to dispose of it?—A. I think there was.

Q. What was said?—A. He said that he wanted to get persons interested in it who were good persons.

Q. What kind of persons did he want?—A. I think he mentioned to me the names of certain parties here in Congress.

Q. Whom did he mention?—A. I think he mentioned Mr. Colfax as one of the persons.

Q. Who else?—A. I do not recollect the names very distinctly.

Q. Can you remember any other names except that of Mr. Colfax?—A. Mr. Colfax was one of the prominent men in Congress at that time.

Q. Was it to Congressmen that he intended to dispose of it?—A. He mentioned others besides Congressmen.

Q. Did he mention Congressmen as persons to whom he intended to dispose of some of this stock?—A. Yes, he mentioned Congressmen as persons to sell the stock to.

Q. Do you recollect now any Congressmen that he mentioned except Mr. Colfax?—A. I think he mentioned Mr. Boutwell.

Q. Anybody else?—A. I think he mentioned Mr. Wilson too; he boarded at that time with Mr. Wilson.

Q. Who else?—A. I do not recollect very distinctly about the names of the parties.

Q. Do you remember any other name that he mentioned?—A. I do not. I know very well the names that are now before the public in that connection, but I do not remember any other now that he mentioned at that time.

Q. Why was he going to let members of Congress have it? Was it because of the pecuniary aid that he expected to derive, or because he desired to get the influence of members of Congress by disposing of the stock to them?—A. Well, I suppose it was because he desired to get a good class of people in it. We did not expect that any legislation would be necessary; we had got all the legislation we wanted.

Q. Well, was it money that he was after in making that disposition of the stock, or was it influence?—A. It was money that he was after.

Q. Money especially?—A. Yes, sir.

Q. And the influence of these parties was not what he was seeking?—A. No, sir; but then we all desire always to be associated with good men.

Q. Did Mr. Oakes Ames inform you that he had disposed of that stock and to whom he had disposed of it; and, if so, when did he give you that information?—A. Well, sir, I cannot answer that question. I have a general idea that he did dispose of it to such parties as hold it or as have held it along, and whose connection with it has now come out. I have that general idea about it; but it is possible that that may have been impressed upon my mind recently.

Q. Did you ever know anything personally as to what disposition he had made of the stock?—A. No, sir; I never did.

Q. What was the date of the assignment of that stock to your brother, Mr. Oakes Ames?—A. It was in 1867, I think.

Q. Was it not in January, 1868?—A. (Referring to book.) It was in January, 1868; two hundred and twenty shares and thirty shares.

Q. Congress was then in session?—A. It was.

Q. Was your brother at the place where the assignment was made at that time?—A. I do not know. I was not an officer in this company, and of course I don't know anything about that.

Q. The arrangement for transferring that stock to your brother was made prior to the date of that assignment?—A. Yes, sir.

Q. Was it made before he went on to Congress?—A. I think it was made in the April previous to January, 1868; I think so, from what I now know of the matter.

Q. Was the amount of the stock that was to be transferred to him in trust to dispose of definitely agreed upon at that time?—A. I think it was.

Q. What was the amount?—A. I do not recollect the amount. I recollect my brother saying that he could dispose of so much stock; that he had promised so much stock; he made a little statement of so much

that he had promised, and it was conceded that he ought to have it; and, at the same time, Mr. Durant made a similar statement.

Q. That conversation, when your brother declared that he had already promised a certain amount of stock, was in April, 1867, you say?—A. I think so.

Mr. ALLEY. No, Mr. Ames; you are mistaken as to the date. It was the last of November or the first of December, 1867, when he made that representation to the executive committee of the Credit Mobilier. If you look at the books, you will see that it was either late in November or early in December when he and Durant made those statements. I was there as one of the board, and I speak from knowledge.

Q. Now, since hearing the statement of Mr. Alley, what have you to say as to the time when it was arranged that your brother should take those shares?—A. I do not very well recollect the time, but I know it was cold weather, and that we had the room warmed; the room in Fifth Avenue Hotel, in New York.

Q. Then the arrangement under which Mr. Oakes Ames was to get that stock to be disposed of at Washington, was made in a room in the Fifth Avenue Hotel in New York, and it was in cold weather?—A. Yes, sir.

Q. Was the amount that he was to get then agreed upon?—A. There was an amount agreed upon that the parties in interest would consent to resign to him.

Q. What was that amount?—A. I do not recollect the amount.

Q. Was it not over three hundred shares?—A. I cannot recollect the amount.

Q. Is that as near as you can answer?—A. Yes; I cannot tell.

Q. Which is your better recollection now—that it was in the spring of 1867, or in the winter of 1867, in December?—A. My recollection about it would be that it was just about the time that we increased the stock.

Q. You still adhere to that as the time?—A. That is my recollection of it. I cannot fix the time.

Q. Did not the parties to whom Oakes Ames sold the stock which it was thus arranged should be given to him, become entitled, in virtue of the sale, to one first-mortgage bond, of a certain amount, for each $1,000 worth of stock?—A. I don't know that it was due on the stock at that time. They were entitled to all the dividends that might accrue on the stock.

Q. Was there not a dividend made on the 12th of December, 1867?—A. I think there was.

Q. What was the per cent. of that dividend, and what in stock?—A. I cannot recollect. The books will show.

Q. If that conversation at the time that Mr. Oakes Ames received the promise that he should have that stock was in December, 1867, it was about the time that a dividend was made on that Credit Mobilier stock?—A. Yes, sir.

Q. That was a large dividend, was it not?—A. Yes; my impression, however, was that he was to have the stock out of the new stock, and whether that would have been entitled to a dividend or not I do not know.

Q. Did not that stock receive the same dividends as the other?—A. If the dividend was declared in December, it would not apply to stock issued after that.

Q. If the last increase of a million and a quarter was preceding the 12th of December, 1867, then this increased stock was entited to the

dividend of the 12th of December, 1867?—A. Yes, sir; it would have been entitled to it then.

Q. At any rate, there was a large dividend made in December, 1867, was there not?—A. Yes, sir.

Q. And another very large dividend made very soon after—on the 3d of January, 1868?—A. The two dividends were paid at the same time, were they not; the one of December 12, 1867, and the one of January 3, 1868?

Q. I cannot answer you at this moment, but you ought to be able to tell?—A. (Referring to book.) This dividend, declared December 12, 1867, was payable January 3, 1868, and the dividend of January 3, 1868, was payable at the same time.

Q. Then there were two dividends, both payable on the 3d of January, 1868?—A. Yes, sir.

Q. What per cent. upon the stock of the Credit Mobilier was ordered to be divided at each one of those two dividends?—A. The one of December 12, 1867, was 60 per cent., and the one of January 3, 1868, was 20 per cent.

Q. Then that would be 80 per cent. that was divided on the 3d of January, 1868?—A. Yes, sir.

Q. At that date, in December, 1867, what was the stock of the Credit Mobilier worth?—A. I never sold a share of stock of the Credit Mobilier, and I don't know what it was worth.

Q. Was it not worth nearly double its par value?—A. Double the par value was paid, I believe, by some parties.

Q. About that time?—A. Very soon after that; but I never traded in the stock, and I don't know its value. I will say here, that I recollect now one instance where it was bought at 160 about that time.

Q. Then you were mistaken when you said that the time that arrangement was made, by which your brother was to get this stock, was a dark time, when the stock was not worth much?—A. No, sir; I am not mistaken about that. At the time that we increased the stock—and that was the time, according to my recollection, that he was promised the stock—we were all very anxious not to be forced to take that stock. None of us wanted to take it.

Q. Which increase do you refer to in your last answer?—A. I refer to the last increase of the stock.

By Mr. SHELLABARGER:

Q. Is it again your answer that the promise of that stock to Oakes Ames was made in the fore part of 1867, and not in December, 1867?—A. My recollection is that it was promised to him earlier than December, 1867.

Q. Was it at the meeting at the Fifth Avenue Hotel that it was promised to him?—A. I think it was.

Q. And, so far as you know, the promise was not made at any other place?—A. I have no recollection of hearing the thing talked over at any other place than that.

Q. Then the date of that promise, when it was first made, would be fixed by fixing the date of the meeting at the Fifth Avenue Hotel?—A. That is my recollection.

Q. And if that was in December, 1867, then you are mistaken in thinking that it was earlier than December?—A. Yes, sir.

Q. And, at the time of the meeting in December, that stock was worth as much as 160, you say?—A. About that time. I understood it so.

Q. How came you to arrange to sell to gentlemen, through your brother, stock which received a dividend of 60 per cent. in stock and 60 per cent. in bonds on the 12th of December, 1867, at its face?—A. My recollection of that is, that it was promised to him; that when we made the arrangement that he should have that stock, it was not worth more than par.

Q. Did your brother report to you that he had an arrangement that was made when the stock was below par; did he report that to you some time previous to the time when you fulfilled the promise to him by assigning the stock?—A. My recollectiou of it is that when he had this stock it was not worth more than par.

Q. That does not answer my question. When did he represent to you that those engagements of his were made?—A. He said they were all made at that time.

Q. But how long before that had they been made?—A. That I don't know.

Q. This he said at the Fifth Avenue Hotel?—A. Yes; that he had made arrangements for the sale of that stock.

Q. Did not, in fact, the persons to whom he distributed this stock receive those dividends of December 12, 1867, and January 3, 1868; has it not come to your knowledge that they did receive them?—A. I suppose they received all the dividends that were due on the stock when they had the stock.

Q. Do you not know, from the testimony of your brother, that some of those gentlemen, where they took $1,000 in stock, received a bond for $1,000 and also a cash dividend?—A. Do I know from the statements that I have recently seen in the papers; is that what you mean?

Q. No; but from the statements of your brother.—A. He never made any statement to me about it at the time.

Q. Or since? Have you not heard him state since that he did deliver to those parties, for whom he recived the stock under the arrangement made at the Fifth Avenue Hotel, those bonds and dividends of December, 1867, and January, 1868?—A. Yes; I have heard him say that.

Q. You have no explanation to give, then, of how this stock came to be disposed of to those gentlemen at par, provided the engagement to deliver it to them was made in December, 1867, at the time of the Fifth Avenue Hotel meeting?—A. No, sir.

Q. It was much above par at that time?—A. Yes; but my recollection is, that at the time the engagement was made to let Oakes Ames have the stock, it was not much above par. I know I did not feel that I was giving up anything in resigning my interest in those shares.

Q. If you can fix the time when those parties made an arrangement with Oakes Ames, I wish you would do it?—A. I cannot do it. My recollections are, that it was at the time that we increased the stock, and at that time it was not thought to be worth par.

By the CHAIRMAN:

Q. Were you present at a meeting of the board of directors of the Union Pacific Railroad in the city of New York on the 5th of January, 1867?—A. The record shows that I was.

Q. Look at this resolution offered on that day and read it.

The witness read as follows: "Mr. Lambert offered the following resolution: That the Union Pacific Railroad Company will, and do hereby, consider the Hoxie contract extended to the point already completed, namely, three hundred and five miles west from Omaha, and that the

officers of this company are hereby authorized to settle with the Credit Mobilier, at $50,000 per mile, for the additional fifty-eight miles."

Q. That resolution was adopted, was it not, on a yea and nay vote?—A. Yes, sir.

Q. The Hoxie contract was extended to the 100th meridian?—A. It was.

Q. The proposition in that resolution was to extend the Hoxie contract over a portion of the road that had already been completed?—A. Yes; fifty-eight miles farther west.

Q. And to pay the Credit Mobilier $50,000 a mile for it?—A. Yes, sir.

Q. Will you explain to the committee why that was done?—A. I have no explanation to make of it, further than that it was the desire to put the road all under one contract.

Q. But that fifty-eight miles was already completed?—A. Yes; the fifty-eight miles was completed.

Q. It was not proposed by that resolution to embrace any of the road excepting what had already been completed, as I understand the resolution. Is not that your understanding of it?—A. Yes, sir.

Q. The Credit Mobilier, prior to this, had no contract with the Union Pacific Railroad Company for the construction of the road west of the 100th meridian, had it?—A. No, sir.

Q. Then why should the company extend the Hoxie contract over those fifty-eight miles already completed, and pay the Credit Mobilier $50,000 a mile for it?—A. My explanation of it would be that the Credit Mobilier had gone on and built the road precisely the same as they had built it east of the 100th meridian, and expected a contract on the same terms as the original Hoxie contract, and, having done that, the directors of the Union Pacific Railroad Company thought it was proper to vote to them the amount of road that had already been built.

Q. Is there any explanation of it that you can give other than that?—A. No, sir; I have no other explanation. This road, you understand, was built by the Credit Mobilier. They continued right on building the road, under the expectation that they were going to have their contract extended.

Q. Had there been any proceedings of the board looking to that?—A. That I don't recollect; but it was the expectation that we should continue the Hoxie contract.

Q. In point of fact, were not the stockholders of the Credit Mobilier and the stockholders of the Union Pacific Railroad Company at the time the same persons?—A. They were.

Q. Do you know what that fifty-eight miles had cost the Union Pacific Railroad Company?—A. I do not.

Q. Do you know what the construction of it had cost whoever had constructed it?—A. I do not. That road was afterward put under the Ames contract.

Q. Mr. Durant testifies that that fifty-eight miles had cost about $20,000 a mile, and adds, "I see the resolution of the board calls for payment to the amount of $7,500." Then the question was put to him: "Then the cost of construction of this piece of road was $27,500 per mile?" and he answers, "About that." Is that about correct, according to your best recollection or information in that regard?—A. Well, I have no figures at present, to judge of it by. We always suppose, though, that the cost of the road up there was more that $20,000 a mile, grading and iron.

Q. Do you mean the actual outlay of money, or the cost of the road at $50,000 a mile?—A. The actual outlay of money.

Do you remember Mr. Durant filing a protest afterward against the
sion of the Hoxie contract over this fifty-eight miles of road?—A.
not.

(Reading Durant's protest to witness.) Do you recollect anything
at?—A. I had forgotten it, if he made it. He was frequently mak-
protests on one thing and another.

Do you recollect his getting an injunction on that?—A. No, sir.

Do you recollect of a contract being let to John M. S. Williams?—
recollect of a contract being made with Mr. J. M. S. Williams; but
ing was ever done under it, I believe.

Perhaps I can refresh your recollection a little in regard to who
constructed those fifty-eight miles of road. Do you remember a con-
having been made by Mr. Durant, on behalf of the company, with
. Boomer?—A. I recollect of his asserting that he had made such
ract, but the company knew nothing about it.

It appears on the records of the company, does it not?—A. It may
e there, but, then——

Now, was it not under the arrangement made with Boomer that
work had been done west of the one hundredth meridian?—A. I
think there was ever anything done by Boomer; it was a bogus
of Dr. Durant's entirely.

Did not that Boomer arrangement (or whatever you see fit to call
ulate at the rate of $19,500 per mile for a portion of the work em-
d in it, and $20,000 per mile for the remainder of it?—A. Well,
have not any recollection of the Boomer contract.

And did not the work go on under that Boomer arrangement until
fifty-eight miles were completed?—A. I think nobody ever knew
e Boomer arrangement at all until Mr. Durant brought it out at
time; I think there was never any money paid on it; it was a
t arrangement. Boomer was a man of no responsibility.

Was Hoxie a man of responsibility?—A. Not at all, sir.

Was Mr. Davis a man of responsibility?—A. No, sir.

Neither of these men was a man of responsibility?—A. No, sir.

They were mere figure-heads in all this business?—A. Yes, sir.

They were simply nominal parties to whom contracts were let, with
view of turning them over to somebody else? Is not that the
?—A. The Davis contract was made by Dr. Durant with Davis, and
ed over to the trustees under the Oakes Ames contract.

It was understood, at the time the arrangement was made, that it
to be turned over; nobody expected Davis to perform that con-
t?—A. No, sir.

Nobody expected Hoxie to perform his contract?—A. I suppose
but I don't know about Hoxie; that was before I went in.

Neither was a man of responsibility?—A. Mr. Hoxie was an em-
of the road. I think he looked after the ferry over the Missouri
r at Omaha.

He was an employé of the company at the time the contract was
e with him?—A. That I cannot say; but he did have charge of the
afterward, while he was a contractor.

Was Davis an employé?—A. He had a contract with the company
t out ties on the road.

Was there anything paid to Hoxie on account of his being inter-
d here for the purpose of taking this contract?—A. That I don't
llect. Mr. Hoxie had a good position on the road; I think he was
a salary subsequently of about $5,000 a year for services.

Q. What class of service was he rendering?—A. He looked after getting the freight over the river—the ferry at Omaha.

Q. Was there anything paid to him in consideration of his assignment of that contract to the Credit Mobilier?—A. I don't recollect.

Q. Was there any stock of the Union Pacific Railroad Company given or transferred to him on that account?—A. I have no recollection.

Q. Did the trustees under these contracts either give or sell original shares of the Union Pacific Railroad Company to contractors—I mean shares that had not yet been issued? Did you dispose of them to the contractors, and then have them issued to the contractors?—A. No, sir. The trustees under the Oakes Ames contract, and under the Davis contract, received the balance that was found due from the Union Pacific Railroad Company in cash; and we paid that cash over to the Union Pacific Railroad Company, and received the amount in stock; and that stock we divided among the stockholders of the Union Pacific Railroad who were also stockholders in the Credit Mobilier, as shown in the book here.

Q. Let me see if I understand you. The Union Pacific Railroad Company paid the trustees in money on the contract?—A. Yes, sir.

Q. Was that money actually paid over?—A. It was paid over by check.

Q. But was the *money* paid over, or was there simply a check given?—A. A check given.

Q. And what did you do with that check?—A. We bought stock of the Union Pacific Railroad Company.

Q. At what rate?—A. At par.

Q. Then they gave you a check for money, and you gave them back a check for the stock, and the stock you procured in that way you divided out among the shareholders of the Credit Mobilier?—A. And of the Union Pacific Railroad.

Q. But they were all the same thing?—A. Yes.

Q. Then it was divided among the shareholders of the Credit Mobilier?—A. Yes; who were also shareholders in the Pacific Railroad Company.

Q. Your officers were right together at that time?—A. Yes, sir.

Q. In the same room?—A. In the same room? In the same building.

Q. Communicating rooms?—A. Yes, sir.

Q. And the officers of the one were officers of the other, were they not, in the main?—A. We did not have any officers of the Credit Mobilier.

Q. I mean the trustees?—A. Yes, the trustees. The Credit Mobilier was another institution altogether off in New York. The treasurer of the trustees was another individual altogether from the treasurer of the Credit Mobilier.

Q. But they were there doing business all together in communicating rooms?—A. The treasurer of the trustees was president of a bank.

Q. But the business was all done there together?—A. Yes, sir; the business was done there.

Q. Did any money pass in that transaction. Was it not a mere paper transaction?—A. Well, if you don't consider a check money—

Q. Well, I do not consider a check money. I might give you a check to-night for $50,000, but you would not get a dollar on it.—A. But this was different. You owe me, or I owe you, $50,000; I give you my check for $50,000; you want to buy of me, perhaps, shovels to that amount, and you turn around and give my own check for the shovels. Now, is not that a cash transaction?

Q. It is a paper transaction; no money passes.—A. But values pass.
Q. But there was no money passed in the transactions you have testi-
d to?—A. It was settling an account.
Q. But no money passed?—A. There were no actual bank bills passed.
Q. Have you any information of any money or thing of value, bonds,
ocks, or anything of that kind, having been given by any person con-
ected with the Credit Mobilier, or with the Union Pacific Railroad
mpany, to any Government officer, with a view to procuring the
ceptance, on the part of the Government, of this road, or any part
ereof?—A. No, sir; I have not.
Q. Have you heard of such a thing as that having occurred?—A. I
ve heard that such a thing did occur, but I do not know.
Q. From whom did you hear that it did occur?—A. I heard it of Cor-
lius Wendell.
Q. Who gave you that information?—A. That information was given
e, I think, by Mr. Snyder.
Q. And what amount did Mr. Snyder inform you had been given to
r. Cornelius Wendell?—A. Twenty-five thousand dollars, I think; I
n't be certain. My recollection may not be distinct about it.
Q. In what was that $25,000 paid to Mr. Wendell—in money, bonds,
stocks?—A. In money.
Q. How long ago did Mr. Snyder give you that information?—A. I
n't recollect. I think it was in 1866 or 1867; it was during Johnson's
dministration. Mr. Johnson sent Wendell out there to make a raid to
ise some money.
Q. What did Mr. Snyder tell you about it? Tell the story as 'twas
ld you.—A. Mr. Snyder said to me that Mr. Wendell came there
d represented that if they did not pay him a certain amount of money
would not accept of the road, and he lay around there some time,
d Mr. Snyder, on his own volition, and without authority from me,
id him that $25,000.
Q. Where was it that that demand was made upon Mr. Snyder, as he
ld you?—A. At Omaha.
Q. What position did Mr. Snyder occupy on the road at that time?—
. He was superintendent.
Q. Did Mr. Snyder ever ask to have that money re-imbursed to him?—
hink not.
Q. Did Mr. Snyder lose the money?—A. Mr. Snyder alleged to me,
en I called him to account for it, that he paid out the money under
e authority of Dr. Durant; that Dr. Durant was out there at the time.
Q. Did you have a settlement with Snyder after that?—A. We did
t.
Q. You never had any settlement with him?—A. No, sir.
Q. Was he handling the moneys of the company?—A. He was re-
iving freights.
Q. Did he account for all the freights that he received, or was this
5,000 deducted from the amount that he received?—A. I suppose it
s deducted from the amounts that he received.
Q. In other words, Mr. Snyder did not respond to the company for the
ount that he had received by $25,000?—A. No, sir.
Q. And that $25,000 he was permitted to retain because he had paid
t amount to Mr. Cornelius Wendell for the purposes you have stated.
that the way?—A. That is the way of it.
Q. Was that man's name Cornelius or David Wendell?—A. Cornelius,
hink. He was a commissioner appointed here by Mr. Johnson to go

out and make a raid upon the Union Pacific Railroad Company, for the purpose of raising some money for some Johnson paper here. That was the understanding at the time. The road was well made and everything about it was good, but the Union Pacific Company were in great straits; they needed the money for the purpose of carrying on their operations, and they could not afford to do without it. I think there were some forty or fifty miles of road, and it was absolutely essential to the Union Pacific Company at that time to have that money, or else they would have had to go to protest; and I suppose the view that was taken of it was, that it was cheaper to pay the money than to go to protest.

Q. You regarded it as a black-mailing operation?—A. A black-mailing operation entirely.

Q. And you submitted to it as such rather than be subjected to the inconvenience and loss incident to not having the road accepted?—A. Yes, sir.

By Mr. SHELLABARGER:

Q. What portion of the road was it that you say was complete and ought to have been accepted at that time?—A. A large amount of road was ready for examination. The commissioners appointed by the Government to go and examine the road went out and examined it, and Mr. Cornelius Wendell was one of those commissioners, and he refused to consent to the acceptance of the road, as I understood, without being paid a certain sum of money.

Q. That I understand; but my question is, what part of the road was that you say was then completed and ought to have been accepted without this black-mailing operation?—A. I don't know the exact sections; I think it was about three or four hundred miles out.

Q. Then that must have been after December, 1867? You had not progressed that far with the road, had you, in December, 1867?—A. No, sir; I wish to say, however, that I never consented to that expenditure at all. I wrote some strong letters to Mr. Snyder on the matter that we should hold him accountable for the money; but Mr. Snyder was poor, having no means except his salary, and the money had already been paid to the commissioner, and paid for what he (Snyder) thought was the best interest of the road at the time.

Q. How soon after Snyder paid that money did he report the fact to the company?—A. It was quite a little while.

Q. That is rather indefinite.—A. Well, I cannot tell definitely without referring to the correspondence.

Q. Was it communicated to you, or to any other member of the company than Durant, prior to the payment to the company by the United States of the bonds which that finished part of the road entitled you to?—A. I think not.

Q. You think you knew that this extortion had been practiced upon you before you got the United States bonds on that part of the road then finished?—A. I am not sure that I knew it before that; I think I did not know it until after; I did not know it immediately.

Q. Had that part of the road then been fully equipped?—A. Fully equipped—as fully as the road was at any time during the progress of construction. We were putting on cars and locomotives as fast as required to do the business of the road.

Q. Did not Mr. Wendell claim and state that there were certain things yet undone which were required by the act of Congress?—A. I don't know that he did; I do not know what his statement was.

Q. At the time that the commissioners were asked to accept the

road had there been an affidavit made by the president of the company that the part completed was completed in the manner required by the act of Congress, setting forth with certainty where such completed part was?—A. Yes, sir.

Q. Who was president of the company?—A. I was.

Q. Had you personally seen the road that you then asked them to accept?—A. No, sir.

Q. You made your statement on information that you had?—A. Yes; I made the statement on the report of the engineer on the construction of the road; he reported that, in construction, so much was completed. I then went before a judge at court and made application to have the commissioners go out and examine it.

Q. That application was verified by an affidavit?—A. Yes, sir.

Q. When was that affidavit made by you in this particular case?—A. I don't recollect now.

Q. Can you state the year?—A. I think it was in 1867.

Q. How far westward beyond the one hundredth meridian had you progressed with the work in 1867?—A. We had got out some two hundred miles, I think.

Q. Was not that the very part of the road you spoke of yesterday as being incomplete, and as justifying you in giving a greater sum to Oakes Ames when it was put under his contract?—A. Yes, sir. It was not equipped fully up to the requirements of the road when it was opened for public business, but it had all the equipment necessary for a road in construction.

Q. You spoke of the buildings as temporary, and as being intended only as temporary buildings?—A. Yes; many of them were so.

Q. Then they were not such buildings as a first-class railroad would need to have ultimately?—A. No, sir; but there were no people there to be accommodated by depots.

Q. Then if those buildings were thus temporary at that time, and the road incomplete, as you described it in your testimony yesterday, was it not right that Mr. Wendell should refuse to accept the road at the time he got the $25,000?—A. I think not. I think the buildings were all that was required for a first-class road of that kind. There were no people there; you would not want to put up a depot to accommodate 100 or 200 people at a certain point when there was nobody to take the cars there.

Q. Then you interpreted that act of Congress as meaning, not that the road should be in the condition that it was ultimately to be put in, with good permanent buildings, but was to be supplied with temporary structures which would satisfy the requirements of the law and entitle you to your bonds; that was your construction of it at that time?—A. Yes, sir.

By Mr. HOAR:

Q. When did this Mr. Snyder cease to be the superintendent of the road?—A. I think he ceased to be superintendent in the latter part of 1868; that is my impression, but I don't know but he continued longer. I think he was superintendent pretty much through the entire construction of the road.

Q. Was that payment of $25,000 to Mr. Wendell made known to the directors?—A. I think it was.

Q. Who were the Government directors at that time?—A. You have a list of them.

Q. Did you mention to the Government directors that act of bad faith

on the part of the commissioner?—A. I don't recollect whether I did not.

Q. Do you remember whether that commissioner acted in that capac again after that?—A. No, sir. I think that was the only time that ever was out on the road.

Q. Where does he live, this Mr. Wendell?—A. Here in Washingt

Mr. HOAR. I understand that he is dead.

By Mr. SHELLABARGER:

Q. I would like to know what relation Mr. Durant sustained to railroad at the time that he had Snyder pay that $25,000?—A. He vice-president.

By Mr. HOAR:

Q. Do you know anything of a sum paid to a Mr. Snow, a comm sioner?—A. No, sir; there never was anything paid to Mr. Snow. Snow attempted to black-mail us in the same way, but he was not p anything.

Q. What was that transaction, so far as you know?—A. Well, made a very long report and very damaging to the Pacific Railroad, did everything that he possibly could to injure the road. He went there as a commissioner appointed by Johnson to examine the r He went out with a special authority and lay about there, (I un stood—I never knew him,) and endeavored to get——

Q. On reflection I don't know whether I should properly have as that question, if it was a mere attempt, and there was nothing don the matter.—A. He never was paid anything.

By the CHAIRMAN:

Q. Do you know of any other Government commissioner who paid anything?—A. No, sir.

Q. Did you ever hear of any other?—A. No, sir.

Q. Did you ever hear of anything being paid to Dr. White?—A. sir.

Q. Did you ever hear of any transfer of Credit Mobilier stoc him?—A. The doctor had Credit Mobilier stock, but not from the pany, or anything of that kind.

Q. From whom did he get that stock?—A. I think he got it from Bushnell, who was a personal friend of his. I have no personal kn edge of his having the stock, though, and it does not appear upon transfer-book.

By Mr. HOAR:

Q. Who is Dr. White, of Connecticut? Do you know what his name is?—A. William. He lives at New Haven, and is about years of age, I think.

Mr. ALLEY. You are mistaken, Mr. Ames, about his being a s holder in the Credit Mobilier.

By Mr. SHELLABARGER:

Q. Do you know of any money having been paid by the Union Pa Railroad Company to any member of Congress as an attorney fo company, or for the Credit Mobilier?—A. To nobody, except, perh Mr. Butler.

Q. What service did he render?—A. He was employed by the U Pacific Railroad Company at the time of the contest between J Fisk and the company. He came down to New York on the day o

election, and acted as counsel for the company and inspector of the election, and he remained there about two or three days, I think.

Q. When was that election?—A. In October, 1867, I think.

Q. The contract of assignment, called the tripartite contract, is dated the 15th of October, 1867. Was General Butler acting as attorney in the way you have described at the date of that contract?—A. (Referring to the record.) At the annual meeting of the stockholders of the Union Pacific Railroad Company, held at their office, No. 20 Nassau street, October 2, 1867, the inspectors of election were appointed, and the record is signed "B. F. Butler, for the inspectors."

Q. Mr. Butler and somebody else acted as inspectors?—A. Yes.

Q. Was that the date at which the contract of assignment of the Oakes Ames letting was made to the seven trustees?—A. No, sir

Q. It bears date the 15th of October, 1867; when was it prepared, and where?—A. That was prepared in New York.

Q. Were you there at the time?—A. Yes, sir.

Q. By whom was it prepared?—A. I think it was drawn up mostly by Mr. Tracy.

Q. Did any member of Congress aid in its preparation?—A. O, no.

Q. Was not General Butler there at the time?—A. At the drawing up of that contract—no, sir. I think the Oakes Ames contract was made in August.

Q. I am not asking about that; I am asking about the tripartite contract which brought into existence those seven trustees. Where was that prepared and when?—A. It was prepared in New York, by lawyers there in New York. Mr. Charles Tracy was one of the principal lawyers, I believe, in drawing up those papers.

Q. Did any member of Congress participate in preparing that tripartite contract?—A. No, sir.

Q. You were present at its preparation, and know about it yourself?—A. I was present more or less during the time.

Q. Was there any other service rendered by any member of Congress other than that you have described as rendered by General Butler?—A. I think not. I have no knowledge of any other member of Congress being employed to render service to the Union Pacific Railroad Company.

Q. Do you know of any member of Congress having rendered service to the Credit Mobilier?—A. I do not.

Q. Or to the seven trustees?—A. No, sir.

By Mr. HOAR:

Q. Why, instead of issuing capital stock to make up the balance of the Oakes Ames contract, did you not simply issue bonds or notes or other evidence of indebtedness of the company, for the balance?—A. And not have any stock?

Q. Have a subscription of such an amount as you chose—large enough to govern the company only. You had some stock subscribed, $2,000,000, and 10 per cent. paid in, before you started. I do not know that this has any bearing upon the case, but I wish to know why it was necessary to adopt this roundabout method of having the contractor nominally subscribe for a quantity of the stock. What advantage did you gain by the violation—for it was a violation—of the law?—A. Well, we wanted stock enough to vote on to control the road.

Q. But you have got, nominally, about $38,000,000 of stock there?—A. Yes, sir. Is that too much?

Q. I do not mean to intimate that it was too much; but is not the

note of a corporation worth more than its capital stock?—A. It is so good for the corporation, though, because they will have to pay note, and the capital stock is good for nothing. Stock is consider the best form in which a company can put these things, because th ain't obliged to pay anything on it unless they earn the money.

Q. But suppose that precisely the same parties in interest had co plied with the law which requires them to subscribe what capital sto there was in cash, and had subscribed two, three, or five millions dollars, and issued the notes of the company, payable, with interest, such times as they saw fit, why would not that have been better for contractor and better for them, being at the same time a compli with the law?—A. Persons engaged in railroads generally think tha they can get the capital into stock it is the very best way in which t can have it, because then they are under no obligation to pay anyth upon it unless they earn it, while if they have notes and bonds out t must either pay or go to protest.

Q. But that is in cases where the ownership of the capital and ownership of the indebtedness are in different persons. In this case proposed to have the ownership of the capital stock and the owners of the indebtedness in the same persons, substantially, who were re sented by those seven trustees.

Mr. OAKES AMES. If you will allow me I will say a word in ans to that. The stock would go into the hands of various parties; th trustees could not carry the notes, and when the notes got about different hands, first one would sue and then another would sue.

Q. Were you not informed by the counsel who drew the contract this was a violation of the law?—A. We were informed by cou whom we consulted that this issuing of stock as a payment upon contract for building the road was in entire compliance with the law

Q. Who were the counsel that gave you that advice?—A. Mr. Cha Tracy, Mr. Samuel J. Tilden, and Judge Allen.

Q. All of New York?—A. All of New York. They were the par that were consulted in this matter.

Q. Was this contract drawn before or after General Butler's visi New York?—A. The Oakes Ames contract was before, and the ass ment to the trustees was after.

By Mr. SHELLABARGER:

Q. Did you hear that advice given yourself, or do you speak from information derived from others?—A. I heard it.

Q. Did not they tell you that it was made legal, or made so tha could not be objected to in law, owing to the consent that was sec from all the stockholders in the Union Pacific Railroad Compa whereby they could not make any objection to the contract that wa out in the tripartite agreement of the 15th of October, 1867?—A. that point I think not; the legality of the payment for the stock.

Q. The second section of the act of 1864 provides that "money shall be receivable for any such assessment," referring to assessm to be made in payment of capital stock subscribed. Now, my ques is, whether those counsel advised you that the method adopted by in issuing stock, as you have described in your testimony, and tak pay in the work of construction under contracts which were le prices augmented in the way you described in your testimony, to by reason of their taking stock at par which was worth only 30 cent.—did those counsel advise you that that arrangement would sa the section of the law that I have read?—A. It was cash that we

for the stock. The contractors received from the Union Pacific Railroad Company a check for the amount of the balance due to the contractors under the contract for work done on the Pacific Railroad; that check was turned in to the Union Pacific Railroad Company in payment for the stock that we received from them; and that was considered a cash payment, and we were advised by our lawyers that it was in compliance with the law.

Q. But you have stated in substance that, in making the contract of letting, whereby the price to be paid to the contractor was fixed, you augmented the price to be paid to the contractor by reason of the agreement that he was to take stock at par which was in fact worth only 30 per cent.?—A. That is the fact.

Q. So that the transaction would have been the same thing had you let the road at the just price in cash and then got 30 per cent. for your stock, its true value? It would have come out all the same?—A. Yes, I suppose it would, but it would not have been a compliance with the law.

By the CHAIRMAN:

Q. How much was paid by the Union Pacific Railroad Company to General Butler for his services as attorney?—A. There was $3,000 paid to General Butler, and then subsequently, I think, $3,000 more. The general claimed that the first payment was not sufficient compensation for the service he had rendered.

Q. So that he received $6,000 in all?—A. That is my impression.

Q. He received that compensation for the services you have stated?—A. Yes, sir.

Q. Was he ever employed as the attorney of the road at any other time than that to which you have testified?—A. No, sir.

Q. And he never received any other sums of money from the company?—A. No, sir.

By Mr. SHELLABARGER:

Q. That compensation, you say, was paid by the Union Pacific Railroad Company?—A. Yes, sir.

Q. And not by Mr. Alley?—A. No, sir.

Q. Mr. Bushnell stated that General Butler was brought there as attorney for Mr. Alley.—A. Mr. Alley was, of course, a friend of General Butler, and I think he suggested to me that General Butler was a very proper man to look after the interests of the Union Pacific Railroad Company at that time, and I got him to come down to New York.

By Mr. ALLEY:

Q. I had nothing more to do with it than simply making that suggestion to you, had I?—A. No, sir; that is so.

Q. Don't you remember that General Butler came twice to New York; that he was there at the first meeting, and then was also there at the adjourned meeting and took part, and was consulted with reference to this assignment of the contract?—A. I don't recollect in regard to the assignment of the contract, but I think he was at the adjourned meeting.

By Mr. HOAR:

Q. Didn't he stay there in New York about a fortnight attending to this business?—A. I think not.

WASHINGTON, D. C., *January* 24, 1873.

JOHN A. RICE sworn and examined.

By Mr. HOAR:

Question. Your name appears upon the stock-book as having subscribed for certain shares of the stock of the Union Pacific Railroad; were those shares issued to you?—Answer. I think part of them were issued in my name and part of them in that of Benjamin E. Bates, as treasurer.

Q. Treasurer of what?—A. Treasurer of the trustees under the Ames and Davis contract.

Q. Won't you state exactly what you did when you made those subscriptions?—A. I would like to say that it is nearly two years since I have been at the office, and I have nearly forgotten the transaction. My principal business is with the Ames Clock Company; this with the trustees was only a secondary matter of business with me.

Q. You were there merely to have some person there who had some authority when Bates was gone, I suppose?—A. Yes, sir; and my recollection is that at the time of making this subscription I subscribed here for the shares, and paid the money for them to the treasurer of the Union Pacific Railroad Company, Mr. J. M. S. Williams.

Q. You did not carry up that amount of money and count it out there, did you?—A. No, sir; it was paid in a check.

Q. A check drawn by you, or given to you by some one to pay it with?—A. A check drawn by me as assistant treasurer.

Q. What did you do with the check; was it given back to you again?—A. No, sir; I gave the check to Mr. Williams and took his receipt.

Q. You were then acting treasurer; your authority as assistant treasurer authorized you to act in the absence of Mr. Bates?—A. Yes, sir.

Q. Then you were entitled to receive as treasurer just the amount you paid in as a subscriber to the stock; or did you not take that check right away again?—A. I can't recollect.

Q. You do not recollect whether you did or did not?—A. No, sir.

Q. Did you receive a check from the Union Pacific Railroad Company and then check back again; was not that the substance of it?—A. Yes, sir; I think it was.

Q. The first step in the process was for you to pay in the cash for your stock?—A. Yes, sir.

Q. Then, having paid in for the stock, you were to receive the amount under the contract, were you not?—A. I think I was to receive that sum before I paid for the stock.

Q. But you did not go away leaving any money in the treasury of the Union Pacific Railroad Company a great while, I take it?—A. No, sir.

Q. Here is your name signed for 120,000 shares, which would amount to $12,000,000; now, did you pay over any such sum of money into the Union Pacific Railroad Company's treasury, which staid there; was it not a mere paper transaction?—A. It was all done by checks.

Q. I know; but it was not as if you paid a check to a stranger to whom you owed the money. There was no twelve millions of dollars remaining in the treasury of the Union Pacific Railroad Company when they had got through the transaction with you; there was no such sum of money in their treasury with which they could do what they had a mind to?—A. I could not say that there was.

Q. Do you suppose there was ever anything there for five minutes exposed to be attached by a creditor of the Union Pacific Railroad Company?—A. I do not think there could be.

Q. Then, in that transaction, was there not merely a check given to

you and carried back again without ever being drawn?—A. Yes, sir; it was all done by checks.

By the CHAIRMAN:

Q. What is your age?—A. Thirty-five.

By Mr. OLIVER AMES:

Q. You received a check from the Union Pacific Railroad Company for the amount of those subscriptions, and then you gave them another check, or returned them their own check, and received this stock, or a receipt for so much stock; didn't you?—A. Yes, sir; I think that is it.

Q. You received a receipt to be delivered to the trustees for so much stock of the Union Pacific Railroad Company, and when the Union Pacific Railroad Company had given you their check and turned over to you the stock for that $12,000,000, they owed the trustees $12,000,000 less; it was actually the same as though they had paid $12,000,000?—A. Yes, sir.

By Mr. HOAR:

Q. But, so far as you remember, the bank-bills did not make their appearance in the transaction?—A. No, sir.

Adjourned until Monday, January 26.

WASHINGTON, D. C., *January* 25, 1873.

Examination of OLIVER AMES continued.

By the CHAIRMAN:

Question. I call your attention to the records of the executive committee of date February 26, 1869, and I will ask you to read a portion of the report which was presented at that time.—Answer. [Reading:]

"UNION PACIFIC RAILROAD OFFICE,
"*New York, February* 26, 1869.

"In reference to the questions propounded by the executive committee of the company, February 25, I have to report, first, the check for the $50,000 referred to was given on the order of Mr. Ames, president, and Messrs. Bushnell and Alley—said to be for legal expenses."

Q. Whose report is that from which you have been reading?—A. The report of John J. Cisco, treasurer of the company.

Q. State what that $50,000 was expended for?—A. This was at the time of the Fisk suit and raid on the Union Pacific Railroad Company. The Union Pacific Railroad Company was under injunction, and I was advised not to appear in New York publicly. On that morning I went down to the office of Mr. Cisco, in a sort of a private way, and while I was in the office, Mr. Charles F. Tracy, one of the counsel for the company, and Mr. Fullerton, came into the office of Mr. Cisco, and after talking some time on various matters, especially in reference to the suit of the Union Pacific Railroad Company with Fisk, they said that the whole thing could be settled; that if they had $50,000 they could settle that suit. I thought it very questionable whether the money should be paid, and I did not give any special consent or dissent. The money was obtained from the company through the assistant treasurer, Mr. Tuttle, and so used, I suppose. I do not know anything about it, further than the testimony of Mr. Fullerton and Mr. Bushnell, on that question, before the court on the impeachment of Judge Barnard.

They testified in that case that they paid that money over for the settlement of that suit.

Q. To whom did they pay it?—A. They asserted that they paid it to Jim Fisk, for the withdrawal of the suit and the settlement of the whole matter.

Q. Did you give an order for the payment of that money?—A. No, sir; I did not.

Q. By what authority was that money paid out of the treasury of the company?—A. That I cannot say. My impression is that Mr. Bushnell went to the assistant treasurer of the company and the money was paid out. A check was given by Mr. Tuttle, and the money was paid over to Mr. Fullerton for the settlement of that case. That is all that I know of it.

Q. What voucher had Mr. Tuttle for it?—A. He had no voucher.

Q. He paid it out without any voucher, and afterward this was the mode resorted to in order to account for that $50,000?—A. Yes, sir.

Q. Did Mr. Fullerton get the money?—A. I expect he did. Mr. Tracy and Mr. Fullerton were the first who came and made the representation.

Q. Did they state to you in what way they were going to settle this suit through the use of this money?—A. No, sir.

Q. Was the suit ended with that?—A. The suit was not ended.

Q. So that the payment of the money did not terminate that litigation?—A. No, sir.

Q. Was any explanation ever given to you or to the board as to why it was that after payment of the $50,000 the litigation was not terminated?—A. No, sir. We never had any explanation of it. Mr. Fullerton's testimony was, I think, that after paying the money they refused to carry out the agreement subsequently.

Q. Have you any knowledge or information in reference to this transaction, other than what you have given to the committee?—A. I have not.

Q. You procured some legislation, I believe, to enable you to move the office of the Union Pacific Railroad Company from New York to Boston?

By Mr. ALLEY, (with the permission of the committee:)

Q. Mr. Cisco states in his report that that money was paid out on your order and by the approval of Messrs. Alley & Bushnell; and you have stated that this was done at the office of Mr. Cisco. Do you recollect whether I was present at that time?—A. think you were.

Q. Do you recollect that I sat at the other end of the room and that you were in consultation together in another part of the room, and that I heard nothing of the conversation, and that you reported it to me afterward?—A. I think I do recollect something of the kind.

Q. You recollect that that was so?—A. Yes.

Q. Do you recollect that I protested against the payment of the money and advised you to have nothing to do with it and not to consent to it?—A. I think I do; I think you protested against the payment of the money.

Q. And that neither you nor I knew anything of the payment of the money before some days afterward?—A. That is true; at that time, as president of the company, I did not want the service of an injunction upon me, and I returned from New York home; I took a carriage immediately after that and went home, and did not go to New York for some period after that.

By the CHAIRMAN:

Q. What was this Fisk suit about?—A. Fisk claimed a right to vote on a large share of the Union Pacific Railroad stock which he had not paid for; he had subscribed for a large amount of stock, as you see by the books there, but he never paid for it; he made an offer of payment to the amount of fifty-five cents to the dollar, which was contrary to law; all the other stockholders paid in full. On that suit he got an injunction and shut up the offices of the Union Pacific Railroad Company, and drove the company out of New York.

Q. Then it was for the purpose of getting rid of this injunction of Fisk's that this $50,000 was paid?—A. Yes, sir.

Q. Had there been an order of arrest made in that case?—A. There had been. I had been arrested, and quite a number of others had been arrested.

Q. Was not the order of arrest made at the March meeting in 1869, when you got into a controversy in regard to the election?—A. The order of arrest was made at the time of election, and the suit was at that time.

Q. Had not the suit been commenced before that time?—A. No, sir; I think not.

By Mr. HOAR:

Q. Was this Fisk suit part of the same transaction in regard to which you mentioned that General Butler was employed?—A. Yes; it was part of the same transaction.

By the CHAIRMAN:

Q. Do you recollect a suspended account that was brought to the attention of the board with which Mr. Durant was in some way connected?—A. I do.

Q. Do you recollect that a committee was appointed to audit that account?—A. I do.

Q. Who composed that auditing committee?—A. The one that I recollect consisted of Mr. Cisco and myself.

Q. Did you and Mr. Cisco examine into that account and make a report in relation to it?—A. We did.

Q. Did you have before you the books and vouchers showing the items that made up that account?—A. Yes; we did.

Q. Have you made them now?—A. No, sir.

Q. Where are they?—A. Dr. Durant claimed them as his private papers. He brought before Mr. Cisco and myself a tin box containing a lot of papers, vouchers for the payment of the several sums of money. Mr. Cisco had been in the company long before I had been, and I think that at the time these payments were made he was an officer of the company. I did not know as much of the accounts as Mr. Cisco did. Mr. Durant presented to us vouchers signed by various parties, among them Mr. Alexander Hay and Mr. Stewart, whose names have been mentioned here. Most of the others were approved by a board that had been appointed to approve vouchers on congressional expenses. I do not know that that was the word exactly, but it was a board or committee to approve of bills that had been paid by Dr. Durant.

Q. Do you recollect who composed that committee?—A. I think that committee was composed of C. N. Bushnell and George T. M. Davis; that is my recollection.

Q. Where does Mr. George T. M. Davis live now?—A. In New York.

Q. Dr. Durant brought these papers to you in a tin box and you examined them, and on these papers you made your report?—A. Yes.

Q. Why did you not keep these papers?—A. We did not suppose that we had any right to them. Dr. Durant claimed them as his private papers.

Q. But Dr. Durant was claiming to have a credit for this large sum of money; nearly half a million, was it not?—A. Yes, sir; $435,000.

Q. Why, then, was it not necessary for you to preserve these papers for the purpose of showing on what you had authorized the payment of this $435,000?—A. The payment had been made long before that. We did not feel under the resolution that we had any more right than to report. I think we were not authorized by that resolution to take these vouchers from Dr. Durant. We report "that we have informed ourselves as to the details of the account of which the foregoing is a settlement, and have found that the several amounts were paid as above contained on proper authority of the road, and on proper vouchers, and that the fact in the premises is satisfactory to us." This report was made some two or three years after these transactions.

Q. Is it not your recollection that the resolution authorized you to report whether it was satisfactory to you or not?—A. I think so.

Q. The language of the resolution was substantially the same as the language of your report?—A. I think it was.

Q. You examined carefully these vouchers presented by Dr. Durant?—A. We did.

Q. Can you state to the committee what the character of those vouchers was?—A. I cannot.

Q. Can you state to the committee the character of the payments that had been made as represented by those vouchers?—A. No, sir; I cannot state anything special about it further than that they showed that so much money was paid, and that the bills had been approved by a former committee.

Q. Did these vouchers point out for what purpose this money was paid?—A. No, sir; they did not.

Q. Then all that you know about the payments after the investigation was, that certain moneys had been paid, and that their payment had been approved by a former committee?—A. Yes.

Q. And that is all you knew about it?—A. That is all we knew about it.

Q. Did you ask any explanation as to the purposes for which this money was paid?—A. No, sir.

Q. All you did was simply to take the papers, and to find that they had been approved, and you reported that that was satisfactory to you, without making any explanation as to whether the money had been properly applied or not?—A. Yes, that is the way we did it. We looked over those papers, and found that the amount of money said to have been expended by Dr. Durant had been expended, and had been approved by an authorized committee for that purpose, and we did not feel authorized to go behind that.

Q. Did you ask Dr. Durant no question on this subject?—A. No, sir.

Q. And these vouchers were wholly silent as to the purpose for which this money had been paid?—A. I cannot say that they were wholly silent; I think that some of the vouchers stated the purpose for which this money was paid.

Q. Can you tell whether there was any considerable portion of this money with reference to which there was no explanation as to the purpose for which it was applied?—A. Quite a large amount of it.

Q. Did those vouchers state to whom it was paid?—A. I think not. No, they did not state to whom they had been paid, but that so much money had been paid for legal expenses.

Q. Why did you not inquire as to the purpose for which this money had been paid?—A. This question had been quarreled over and talked over, and all that sort of thing, among the people of the Union Pacific Railroad Company, and these vouchers had never been brought out before for examination. They appointed a committee, consisting of Mr. Cisco and myself, to ascertain whether that money had been expended as alleged. We went, and Dr. Durant brought those papers to us, and showed them to us. The payments all appeared to be properly vouched, and we made a report that these were payments that had been examined and that they all seemed to be properly vouched.

Q. It was only satisfactory to you because some one else had approved them?—A. That was so.

Q. Is it not a fact that you did not care to know what purposes this money had been applied to?—A. I think that perhaps that was so.

Q. Was there not an apprehension in your mind, or a suspicion, that this money had been applied to purposes which it was not prudent to make public, or to spread upon the records of the company?—A. I may say that I did not think that there was very much about that matter.

Q. Was there not a suspicion in your mind that there was something about the expenditure of the money which it was best not to make public?—A. I supposed it was spent for the purpose of getting legislation through Congress.

Q. That was your idea of it at the time?—A. That was my idea, but I understood at the time that a good deal of it was spent in settling the quarrels between the Pawnee Railroad and Dr. Durant, and between the eastern division and Dr. Durant.

Q. Was it because you thought that a considerable portion of it had been used for the purpose of procuring legislation that you did not desire to investigate the matter?—A. Well, I think it was.

Q. Do you know anything as to the purpose for which it was applied excepting what you have now stated?—A. No, sir.

By Mr. HOAR:

Q. Did you not fear, when you were appointed on that committee, that it might turn out that some of that money had been improperly used, if you pushed your investigations to the bottom?—A. We did not feel that we had any right to push this investigation.

Q. I thought you said that it had been publicly charged that that money had been improperly used?—It had been publicly charged that it had not been used at all. It was charged that Dr. Durant had not used the money, but had put it into his own pocket.

Q. You report here that you have informed yourselves as to the details of the accounts; but you now say that you informed yourselves in no other way?—A. We examined every bill that there is there, in the details, to the full amount of $435,000. The charge was that Dr. Durant, instead of spending this money as he alleged he had spent it, for the purpose of getting a charter and for doing all things necessary, had put the money into his own pocket.

Q. You did not regard the use of money to compromise the claim of another railroad as an improper or discreditable use of money, did you?—A. No, sir; I should not have supposed it was.

Q. So far as that was concerned, there would have been no reason why a receipt binding the company and relinquishing the rights which

it had claimed, that were in controversy with you, should not have gone among your vouchers in the regular course of business?—A. I suppose not. That thing was three or four years before I got into the company.

Q. Now, I put this question with reference to these items—the item of $50,000 paid during the troubles in New York, and the item of $126,000 paid in 1871, at the time of the passage of the act of 1871. Did you consider it your obligation as the president of the company, if there had been any corrupt expenditure of the moneys of that company, to ascertain it, to expose it, to punish it, and to prevent its recurrence?—A. Well, sir, I should have felt that if there had been any corrupt expenditure of the money, I should have opposed it; but I did not believe that there had been any corrupt expenditure of the money.

Q. Do you mean to say that, during your term of office as president, the suspicion never entered your mind that any of these sums of money, which appear in this extraordinary way on the books of the company, had been improperly applied to influence legislation?—A. No, sir; it never did. It never entered my mind. I never believed in bribing members of Congress. I did not believe that it was a thing that could be done.

Q. Did it not occur to you when that $126,000 item for special legal expenses was reported, that such a transaction would give rise to a suspicion that money had been improperly used in connection with that legislation?—A. It might have done so in other minds; it did not do so in mine.

Q. Did it not occur to you then that it might in others?—A. It might.

Q. I ask you whether that thought occurred to you then—that the suspicion might be excited in other minds?—A. I do not think it did.

Q. Did you ever have any evidence that that $50,000 which was taken by Mr. Fullerton and Mr. Tracy, was really paid to James Fisk?—A. I only know what was alleged; that it was paid to him, and then he refused to carry out the contract.

Q. Had you ever any evidence of the fact?—A. No, sir.

Q. You never saw his receipt for the money nor in any way satisfied yourself that it was paid?—A. No, sir.

Q. Who alleged that it had been so paid to him?—A. Mr. Fullerton.

Q. Then the evidence you had of it was your confidence in the veracity and integrity of your counsel, Mr. Fullerton, to whom you had intrusted it?—A. Yes, sir.

Q. Do you know whether any receipt was taken from Mr. Fisk?—A. I never have seen any receipt from him, and I do not think that any was taken.

Q. Did you inquire for one?—A. No, sir.

Q. Did you inquire of Mr. Fullerton why it was that if he had settled with Fisk, and Fisk refused to carry out his agreement, there had not been a binding signature to the agreement?—A. I never did.

Q. I suppose that ordinarily if you yourself had a lawsuit and you settled with the other side, you would take a receipt?—A. I think I would now; I had probably more confidence in lawyers at that time.

By Mr. ALLEY, (with consent of the committee:)

Q. Is it not within your recollection that I and your brother, and some of the members of the committee which were subsequently appointed, were dissatisfied with the action of the committee?—A. No of the committee on which I was. I think I recollect something about

a committee being appointed; but, as no report was made, I do not recollect anything definite about it.

Q. Do you not recollect that your brother and myself, and some other members of the committee, dissented entirely from Mr. McComb's view?—A. I do not recollect about it; I know that our report was not satisfactory to some persons on the board.

Q. Do you not recollect having said to me, on information that came to you subsequently, that you did not believe that Dr. Durant spent that money at all?—A. I do not recollect saying that thing.

Q. Was not that your belief?—A. I must say I did believe that Dr. Durant might not have spent all the money that he alleged he did.

Q. Have you not said you did not believe that he spent much if any of it?—A. I do not think I ever said that.

Q. But you think you have said that there was a good deal, which he claimed to have spent, that he did not spend. Did you ever hear him say anything about spending $80,000 to procure the influence of Thaddeus Stevens—he paying out that money in a roundabout way?—A. Yes; I have heard Dr. Durant say that he paid about $80,000 to purchase a piece of property of Thaddeus Stevens, which had been burned, I believe, by the rebels.

Q. The practical effect of it was to give Mr. Stevens $80,000. Do you not recollect that we all said we did not believe a word of it—you, nor I, nor any of us, and that that much went into Dr. Durant's pocket, or into somebody else's pocket?—A. I have understood Dr. Durant to say, at one time, that he bought a furnace, or furnace property, or something of that kind, from Thad. Stevens, and paid him, I think, something like $60,000 or $80,000 for the property. I did not understand that it was any corruption, or anything of the kind. The intimation of Dr. Durant was that it was a very much larger price than the property was worth. Whether Mr. Stevens thought so or not I did not know.

Mr. HOAR. But Mr. Alley's question was whether you had heard Dr. Durant declare that he had expended $80,000 in purchasing from Mr. Stevens some property that had been destroyed by the rebels, for the purpose of insuring his influence.

Mr. ALLEY. You are mistaken. That was Mr. Ames's remark.

Mr. HOAR. (To witness.) Do I understand you to answer that question in the affirmative.

The WITNESS. Yes; that Dr. Durant did so declare that he bought that property of Thaddeus Stevens.

Mr. HOAR. (To witness.) This is a very important and grave inquiry. You answer the unimportant part of the question, and do not answer the important part. It is not important whether or not Dr. Durant bought a piece of property from Mr. Stevens. The important thing is whether he bought this property, paying for it more than it was worth, for the purpose of insuring Mr. Stevens's influence. That part of the question is the point, and the whole point; and I want to understand whether you answer it in the affirmative or not.

The WITNESS. No, sir; I do not answer it in the affirmative. Dr. Durant said he had bought this property from Mr. Stevens.

By Mr. HOAR:

Q. And that he had bought it with part of this money charged to the suspense account?—A. That I do not know. There was no evidence of it.

Q. I am asking what Dr. Durant said; was that a part of his statement, that it was bought with this money?—A. No, sir; it was not.

Q. But Dr. Durant said that he had bought of Mr. Stevens some pro
erty?—A. Yes.

Q. Did he in any form or manner allege, when he said that, that h
had paid for that property more than it was fairly worth?—A. I cann
say. I do not recollect. My impression, however, at the time, w
that the doctor did pay more for the property than it was worth.

Q. I am asking what the doctor said?—A. He did not say so.

Q. Did he say, in form or substance, or did he intimate that he h
done it for the purpose of securing Mr. Stevens's influence in favor
the road, or in favor of any project connected with it?—A. That w
the impression I got.

Q. It is very important that you should answer the question.—
Well, Mr. Durant did not say that. He did not say to me that he h
paid Mr. Stevens this money to influence him.

Q. In form or substance, or anything having that meaning?—A. N
sir.

Q. But you say you had the belief that more had been paid for t
property than it was worth, and that it was for that purpose?—A. Th
was the impression.

Q. On your mind?—A. Yes.

Q. Was the impression on your mind also that the sum had be
paid directly or indirectly, from the funds of the company?—A. Th
was not stated.

Q. You had, however, your own private belief. Now, I ask y
whether your belief extended to that? Did you understand that th
money was paid from the funds of the company? Did you have th
belief?—A. Well, I do have that belief; but yet there was no eviden
of it in these vouchers at all.

Q. You were at that time president of the company?—A. No, s
that was four years before I was president.

Q. You were a director at that time?—A. No, sir; I had no conn
tion with the company at all.

Q. How came Dr. Durant to make this statement to you? Were y
at the time of that statement and before it an officer of the compa
A. I was a director, I think.

Q. When the belief first came to your mind that Dr. Durant had
pended, of the funds of the company, a sum of money to pay Mr. Stev
more than it was worth for some property held by him, and thereby
secure his favor and influence to the road, did you take any steps wh
ever to ascertain whether that was true?—A. When the committee
which I was examined this suspended account there was nothing in t
account to show that any money had been paid to Mr. Stevens.

Question repeated.—A. I did not.

Q. Did you not conceive that fidelity and duty to the company
quired you to recover money so illegally and corruptly spent by Dr.
rant, if he had so expended it?—A. Well, I think it would have b

Q. Why did you not do it?—A. The thing was not so fixed, it
not so definite that we could make any claim on it.

By the CHAIRMAN:

Q. Why did you not investigate that matter when you were on
committee?—A. When I investigated these accounts they all seeme
be properly vouched, and the money had been paid on these pr
vouchers by a previous board of directors, some three years previo

Q. But you were directed to look into the details of these accou

were you not?—A. Yes, sir; we examined every account presented there, and had vouchers for it.

By Mr. HOAR:

Q. Have you any knowledge or information on the subject of any transaction with Mr. Stevens, except the allegation of Dr. Durant to which you have referred?—A. Nothing at all. I never heard of it from any other person.

Q. Have you any knowledge or information of any property being now possessed or having been possessed by the Union Pacific Railroad Company which had been formerly owned by Mr. Stevens?—A. No, sir. None such has ever been possessed by it since I have been president of the board. I never believed the allegation of Dr. Durant. I know that he made that statement. I should hardly want such a statement to go on the record here against Mr. Stevens.

By the CHAIRMAN:

Q. State whether Dr. Durant claimed that the money which he had paid on account of this furnace was embraced in that suspended account?—A. No, sir; I think not.

Q. That was not a part of the suspended account?—A. I think not.

WASHINGTON, D. C., *January* 25, 1873.

ELISHA ATKINS sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Boston.

Q. Have you at any time been in any way connected with the Credit Mobilier of America?—A. No, sir; except as a stockholder.

Q. How long have you been a stockholder in the Credit Mobilier?—A. I made my first purchase in January, 1865.

Q. What amount of stock did you purchase at that time?—A. One hundred shares.

Q. Have you increased your stock since that time?—A. Yes.

Q. To what extent?—A. Six hundred and twenty-two shares.

Q. When did you get the additional shares?—A. In September, 1865, April, 1866, and February, 1867. My last purchase was made in February, 1867.

Q. How much of that stock do you now hold?—A. The whole of it.

Q. Have you at any time served on any of the committees connected with the Credit Mobilier?—A. No, sir, never.

Q. Are you in any way connected with the Union Pacific Railroad Company?—A. As director.

Q. Are you director now?—A. I am.

Q. How long have you been director?—A. Since the office was removed to Boston, in 1869.

Q. Had you any official relations with the Union Pacific Railroad Company prior to the office being removed to Boston?—A. No, sir.

Q. Are you a stockholder of the Union Pacific Railroad Company; and, if so, how long have you been a stockholder?—A. I am and have been, I should say, since 1866.

Q. How much stock of the Union Pacific Railroad Company do you now hold?—A. I think about fourteen hundred shares.

Q. Do you recollect or have you any knowledge of a note for two

million dollars which was given by the Union Pacific Railroad Company in August, 1869?—A. Yes, I have the note.

Q. Were you present when the note was executed?—A. No, I think not.

Q. Do you remember the circumstances under which it was given?—A. Yes, sir.

Q. State the circumstances under which that note was given.—A. In the course of a suit by the State of Pennsylvania against the Credit Mobilier for taxes it became necessary to give an appeal bond, (if that is the proper term,) a bond to prosecute the appeal. It was represented that the Credit Mobilier had no available assets to secure parties signing that bond. It was also stated that there was a balance due by the Union Pacific Railroad Company to somebody on one or more of the different contracts for building the railroad—an unadjusted balance. It was finally arranged between the president of the Credit Mobilier and I think the trustees that the Union Pacific Railroad Company should give their note to the Credit Mobilier for the sum of two million dollars, which would be indorsed by the Credit Mobilier and placed in the hands of trustees for the protection of parties who would be willing to sign that bond. The bond was executed, the suit came to trial, and terminated, as we supposed it would, against the State of Pennsylvania and in favor of the Credit Mobilier. The bond was canceled, but the note remains in my possession. I believe that is the whole history of it.

Q. Produce the note and read it to the committee.

Witness produces the note and reads it, as follows:

"NEW YORK, *August* 4, 1869.

"$2,000,000.

"On demand the Union Pacific Railroad Company promise to pay to the order of the Credit Mobilier of America two million dollars, for value received.

"OLIVER AMES,
"*President.*
"JOHN M. S. WILLIAMS,
"*Treasurer.*

"No. 774."

Indorsed:

"Pay to the order of Elisha Atkins, trustee.
"SIDNEY DILLON,
"*President Credit Mobilier of America.*"

Q. Is there a memorandum on the back of the note?—A. There is; it is as follows:

"The Credit Mobilier of America will please affix the necessary stamp and charge to account of Union Pacific Railroad Company.
"JOHN M. S. WILLIAMS,
"*Treasurer.*"

Q. Were any stamps ever put on that note?—A. The note never was used.

Q. Did you hold the note for the purpose which you have indicated?—A. Yes; for the protection of the parties.

Q. As collateral security for the purpose of indemnifying those parties against loss?—A. Simply as collateral security for the parties signing that bond, and for no other purpose.

Q. Do you know who was present at the time that note was executed?—A. I do not; neither did I know that I was to be named as trustee. But Mr. Dillon insisted that I should take charge of this note.

Q. Do you know whether there was any investigation of the accounts between the Union Pacific Railroad Company and the Credit Mobilier at the time that note was given?—A. I do not.

Q. When was it that you first knew of the execution of that note, and the purpose for which it was executed?—A. Probably the same day, as the bond was waiting to be signed; no doubt I knew it at the date it was executed.

Q. Have you any further information in regard to that matter other than what you have stated to the committee?—A. The bond was for only $600,000 and the note was for two million dollars. I was not consulted in making the note, but my presumption and conclusion is, that it was made for that large sum in order to cover the contingency of its being finally payable in stock, as some parties in the Union Pacific Railroad Company claimed that the balance should be paid in stock. To guard against that contingency, I suppose, the note was made sufficiently large to indemnify them.

Q. So that, if it was payable in stock, the note was made large enough so that the stock should be estimated at its real value and not at its par value?—A. At its market-value. With the stock at 30, the note would about cover it.

Q. Then, if the Union Pacific Railroad Company paid this note in stock, or if it turned out that the Union Pacific Railroad Company had the right to pay it in stock, the note was made large enough, so that the two millions of stock would pay the six hundred thousand dollar bond?—A. Yes, sir; that is the way I look at it.

Q. Was the matter talked over at the time?—A. No, sir, I do not think it was; but the matter of the settlement of that account had been talked over frequently before. The question had been often raised how this balance should be paid, whether in stock or in money, some contending that it should be paid in stock, and some contending that it should be paid in money. To cover that contingency, the note was made, as I said before, for that large amount.

Q. It was not pretended at that time that the Union Pacific Railroad Company owed the Credit Mobilier two millions in money?—A. It was pretended by some parties, and disputed by others. This was an unadjusted balance.

Q. Were you ever a member of any of the committees of the Union Pacific Railroad Company?—A. Yes, sir.

Q. Of what committees?—A. I have been on the finance committee ever since I was a director; I was on the executive committee one year, I think. When I was notified of my election as director, I finally accepted it with this distinct understanding, that my time was not to be called upon in the general management of the road; that I should have nothing to do with the management or building of the road, but that what time I could devote should be given strictly to the finances. I was chairman of the finance committee and a member of the finance committee since I have been on the board.

Q. Do you know anything in regard to an account of $126,000 for special legal expenses?—A. I know that there was such an account paid, but I know nothing further about it.

Q. Do you know the character of the services rendered?—A. I do not.

Q. Do you know to whom the money was paid?—A. I do not.

Q. Have you any information from any source as to the purpose to which that money was applied?—A. I have not.

Q. Have you ever heard it talked over among the members of the board, or of any of the committee?—A. Nothing definite; the money was spent, and I had no reason to suppose that it was not spent legitimately; it did not come into my province to know anything about it. I concluded that the money was spent legitimately by the proper parties.

Q. Did you never have any information from any person as to the character of the services for which that money was expended?—A. No, sir, I never asked the question.

Q. Did you ever hear it talked about?—A. I do not think I did.

Q. What is your best impression?—A. That there was nothing definite said about it.

Q. Did you ever hear anything said about it?—A. It may have been talked about that the $126,000 was paid; it was paid by the proper authorities. I took it for granted that it was all right, and I supposed that it was all right

Q. Was not your understanding that that money was used in securing legislation?—A. No, sir.

Q. Was there nothing said on the subject?—A. Not a word.

Q. Did you ever hear anything said about it?—A. No, sir; if the money had been spent, from time to time, in the interest of the company to support the securities, I should ask no question about it.

Q. And you have no knowledge or information about it further than you have stated?—A. No, I have not.

Q. Did you ever hear of an item of $50,000 for special legal expenses?—A. Yes; I heard it to-day. It was long before my connection with the company, and I know nothing whatever about it, except that there was such an item on record.

Q. Was the character of that expenditure ever called in question at a meeting of the board or of any of the committees?—A. Not to my knowledge. My impression is that it was paid under the direction of the president at the time; still I cannot positively state that.

Q. Do you know where this $126,000 was expended?—A. No, sir; I do not.

Q. You recollect the fact, do you not, that it was paid or ordered to be paid shortly after the legislation of 1871?—A. I do not recollect the precise date; I recollect seeing the approval of the auditing committee.

Q. Were you at the meeting of the board at the time that it was directed to be done?—A. I do not recollect; the record will show whether I was or not. I probably was if it was the occasion when Mr. Scott was elected president.

Q. Why do you hold this $2,000,000 note now?—A. Immediately after the bond was canceled I desired to get rid of the note, and I consulted with the president of the Credit Mobilier to see what was to be done. In the interest of the Union Pacific Railroad Company I wished to avoid giving the note to the Credit Mobilier, and I asked to be allowed to cancel the note or return it to the Union Pacific Railroad Company. I hold it now in the interest of the Union Pacific Railroad Company in the hope of having the thing settled as it should be. This is done by Mr. Dillon's approval, hoping that in the mean time the Union Pacific Railroad Company would arrive at some conclusion about settling that balance.

Q. Please to read from the bond the names of the parties who signed it.—A. C. S. Bushnell, William T. Glidden, O. S. Chapman, E. W. Baker, Sidney Dillon, Oakes Ames, Rowland G. Hazard, John B. Dodge, F. Nickerson, Oliver Ames, John M. S. Williams, and Elisha Atkins.

WASHINGTON, D. C., *January* 27, 1873.

Continuation of the examination of JOHN B. ALLEY.

By the CHAIRMAN:

Question. Have you any information of a protest having been filed with the Secretary of the Interior by the Government directors against contracts that were being made between the Union Pacific Railroad Company and the Credit Mobilier of America, or persons connected with the Credit Mobilier of America?—Answer. No, sir; none whatever. I never supposed that there were any.

Q. Did you ever hear of any such protest?—A. I never did.

Q. I refer to a time when Mr. Sherman, of Ohio, now judge of the northern district of Ohio, was one of the Government directors, and when Mr. Harlan was Secretary of the Interior. Did you hear of any such protest as that during that period?—A. I never did that I recollect.

Q. Do you know anything of a remonstrance or any kind of paper having been filed by these Government directors against the manner in which the work was being let by the Union Pacific Railroad Company?—A. I have no recollection of it. On the contrary, my recollection is that the Government directors were all in favor of it, and no man advocated it and urged it more than Mr. Sherman at the office in New York.

Q. You mean to say that he advocated and urged the manner in which the contracts were being let out for the construction of this road?—A. I think so; I think he was strongly in favor of it.

Q. Did you understand him to be in favor of the extension of the Hoxie contract over fifty-eight miles of road that had been already constructed?—A. I do not recollect particularly about that. I remember very distinctly that I was opposed to the contract and the whole thing, and was opposed to the dividends. I had quite a number of controversies with Judge Sherman, who, on the contrary, was strongly in favor of the whole thing, so far as I now remember after the lapse of so many years, from beginning to end. That is my recollection.

Q. And he was in favor of paying these dividends?—A. I cannot say about the dividends; but I do not recollect that he ever made the slightest opposition to them. He was regarded as a Durant man, and whatever Durant was in favor of he was in favor of.

Q. But Durant was opposing the extension of this Hoxie contract, was he not, over this fifty-eight miles?—A. I do not think he was.

Q. Do you wish to be understood as saying that Judge Sherman was in favor of the manner in which the contracts were being let? I am talking now about the Hoxie contract and its extension.—A. I do not know about the Hoxie contract; I was not in the board at that time.

Q. Did I understand you to say that he was in favor of the Ames contract?—A. Yes, I think so.

Q. Did he not go out of office before the Ames contract was made?—A. I think not.

Q. Did he not go out of office on the 1st of January, 1867?—A. Perhaps so. If he did, he was down there acting as counsel, or in some capacity. He and Durant were friends. I know that I was opposed to the whole thing, and talked to Judge Sherman about it, and he was in opposition to me; I am very certain of that.

Q. I should be very glad that you would be as particular as you can be in your statement in reference to this matter. If you wish to reflect about it in any way you may do so.—A. I have just as distinct a recollection of it, I think, as I should have if it took place recently. The

first of my hearing about the Oakes Ames contract of 16th August, 1867, was in New York, in the office, from information that I derived from Judge Sherman, and my impression is that he helped to get it up, and wrote a part of it. I ought to say here, perhaps, that my opposition to the Ames contract, and to its assignment in the manner that it was assigned to the seven trustees, was not on account of any wrong that I thought there was in it to the stockholders of the Union Pacific Railroad Company, or to the Government, but on account of my personal friendship for Mr. Ames, feeling that it was a case of great peril to him, and that he ought not to put himself in that position; that it would be very damaging to his credit, and that he would be taking upon himself a load which he might not be able to get through with. With regard to the dividends, I opposed the dividends all through, and my opposition to them was on this ground, and this ground alone, that it was unbusiness-like and improper to estimate profits, and to divide them on a contract, while there was a possibility, if not a probability, that before the road was completed they might find it much more expensive than they expected, and might need all their money, all their securities, and everything that they were dividing up to put it through. It was on business ground, and as a matter of business propriety, that I opposed these dividends, not that I conceived that the trustees were doing any moral wrong. And my prediction, I believe, was entirely fulfilled in regard to that; and they would nearly all say to-day that I was right and that they were wrong. But as a consequence of my opposition I was virtually turned out of the trusteeship; I was only trustee for two or three months. My opposition was such that, although I acquiesced, as I was a small stockholder, we could not agree, and particularly on dividends, and they wanted to get rid of me; and so I resigned. And so it was afterward also in the board of directors.

Q. And you say that you opposed the Ames contract on account of your personal friendship for him, and because you conceived that he was incurring great peril when he took it?—A. Yes.

Q. Was it not understood at the time that Mr. Ames was not to perform that contract himself, and that that contract was to be assigned and that all those stockholders in the Credit Mobilier were to have the benefit of that contract?—A. No, sir; not at all.

Q. You say that that was not the understanding?—A. It was not the understanding at all.

Q. Did Mr. Ames ever do any work personally under that contract?—A. No.

Q. Was there anything done under that contract until after it was assigned to this board of trustees?—A. No, sir; not much, I think.

Q. Was there anything at all done?—A. I do not think there was.

Q. Was it a part of Mr. Ames's original stipulation at the time of his offer to take that contract, that all the stockholders in the Union Pacific Railroad Company should assent to the contract?—A. It was the general understanding; and my impression is that Mr. Ames was unwilling to take it unless the stockholders of the Union Pacific Railroad Company should all assent to it.

Q. Why did he require the assent of every stockholder, if it was a contract with him as an individual, and a contract in which a majority of the board of directors was not interested?—A. I think it grew up in this way: I think that after the contract was made with Mr. Oakes Ames and executed and delivered, Dr. Durant was afraid that he and his party might not get all their rights under it, or their privileges, or what they regarded as such; and then he started the idea that he could control

by such a provision. There was no objection made to such a provision. I think he threatened an injunction, and I do not know but that he got out an injunction; at all events he threatened one if they did not all come into it. Mr. Ames himself, I believe, was very willing and desirous that that should be done.

Q. But if this was a contract understood on both sides to be with Mr. Ames as an individual, and in which the management of the Union Pacific Railroad Company had no other interest than to protect the interests of the company, having no personal concern with the contract, what were the rights and privileges which Durant and his party conceived they were entitled to and were afraid they would not get?—A. I should like to state my understanding of the history of that matter.

Q. The point to which I was going to call your attention next was as to whether or not you have any knowledge or information in relation to $10,000 or any other sum having been paid Mr. Harlan?—A. I have not. There never was a dollar paid to any member of Congress, or to any officer of the Government while I was a director of the company, or while I was a director in the Credit Mobilier, by either corporation, directly or indirectly, to my knowledge or in my belief.

Q. You know nothing at all in relation to a payment of $10,000 to Mr. Harlan?—A. I know nothing about it except what I have heard.

Q. From whom did you hear it?—A. The first time I heard of it, I think, was from Oakes Ames.

Q. When was that?—A. I cannot tell you the exact time, but I should think it was after the election of Mr. Harlan to the Senate.

Q. How long was it after his election to the Senate that you heard of it?—A. I should think a year and a half. He was elected a year before he took his seat, and it was some time after he took his seat in the Senate that I heard about it.

Q. What was it that Mr. Ames told you in relation to it?—A. Mr. Ames said, according to my recollection, that Mr. Durant had contributed $10,000 to the election of Mr. Harlan himself, personally, and that it had just come to light, as far as he had any knowledge of it, and that Mr. Durant wanted the company to pay it, and claimed that he ought not to have to pay it individually. Mr. Ames said that he should not submit to any such thing as that, and asked me what I thought about it. I said that he was certainly right about it, and that if Mr. Durant had contributed $10,000, or any sum of money, to the election of Mr. Harlan, it was an individual matter, and that never, with my consent, should the company pay anything to that man. My impression is, that I was then a director in the company, but I am not certain; I think I had just been elected a director, which, I presume, was the occasion for Mr. Ames speaking to me about it.

Q. About what time was that?—A. Some time after Mr. Harlan took his seat in the Senate. It must have been a year and a half after his election, because he was elected a year before he took his seat. I think he was elected in 1866 by the Iowa legislature.

Q. If you are correct in point of time, it would be some time even in 1865 or 1866 that this payment was made?—A. I always understood that it was made not only before Mr. Harlan's election, but before the legislature was chosen. But, however that was, I do not know. I have no further knowledge of the transaction except Mr. Ames telling me about it, and it had passed altogether out of my mind; I do not know that I had thought of it again until it was brought up by this investigation.

Q. Do you know whether that $10,000 was ever paid out of the funds

of the Union Pacific Railroad Company?—A. I never supposed that it was; if it was it was done without my knowledge.

Q. Did you ever hear of its getting a place on the books of the company?—A. I never did.

Q. Did no one ever tell you anything on that subject?—A. No, sir; all that I ever heard about it was this conversation with Mr. Ames here in Washington.

Q. Did you ever hear anything in relation to that money being paid out of the funds of the Credit Mobilier?—A. No, sir.

Q. You do not know whether it appears on the books of that corporation?—A. I do not; but I do not believe that it does. I never saw it there. I never heard of it, and I never heard it intimated, and have no belief that it is there.

Q. Have you ever seen any drafts or checks that appertain to that matter?—A. No, sir; I never heard a word about it, and I do not know a thing about it, except as I have told you.

Q. Do you know anything about any letters having been written in relation to it?—A. I never heard of any letters being written in relation to it.

Q. And you never saw any?—A. I never saw any.

Q. And all that you know about it, directly or indirectly, is what Mr. Oakes Ames told you, and what you heard since this investigation began?—A. Yes, that is the whole story.

Q. And what you have heard since this examination began is that exclusively that has been stated in the testimony?—A. Yes, sir.

Q. You have not heard anything of it outside of the testimony?—A. I am not certain that I heard anything of it outside of the testimony. If I did I heard nothing of it inconsistent with the testimony.

Q. Were you a member of the executive committee of the Union Pacific Railroad Company in September, 1868?—A. No, sir; I never was.

Q. Did you ever hear of the account spoken of as suspense account, amounting to $435,000?—A. Yes, sir.

Q. Do you know whether this $10,000 to Harlan was embraced in that account in any way?—A. No, sir; I never heard that it was.

Q. Have you any information in relation to that $10,000 other than what you have now given to the committee?—A. No, sir.

Q. Either directly or indirectly?—A. No, sir; I never heard a word about it except as the committee has heard from the testimony here.

Q. Were you in any way connected with the settlement of this suspense account of $435,000?—A. No, sir. I was appointed on a committee once to investigate and look into it. I am not certain, but do not think that I was appointed by a formal resolution of the company, but in connection with some prominent stockholders, informally, who were not directors. We talked the matter all over, and examined it as far as we could. That expenditure occurred at a very early period in the organization, and, so far as I was concerned, I never knew anything about it, and had nothing to do with it. Neither had the Ameses, I believe.

Q. You were appointed on a committee to investigate its accounts on one occasion?—A. Yes, appointed or requested to serve.

Q. Did you investigate it?—A. We did, as far as we could.

Q. To what extent did your investigation go?—A. Not very far.

Q. Did you get any of the vouchers before you?—A. Some vouchers were shown, but were not to my mind very satisfactory.

Q. What was the character of those vouchers, and what was the amount of them in the aggregate?—A. I do not know. My recollection

is that the amount was in the neighborhood of $400,000. Your record says $435,000, and I presume that that is the correct amount.

Q. And the vouchers for that $435,000 were not satisfactory to you?—A. There was nothing about it satisfactory to me.

Q. What was it that you discovered there that was not satisfactory to you?—A. There was nothing that was satisfactory; there was no sufficient account given, to my mind. I believe that the only person on the committee who was satisfied was Mr. McComb, although I think there were others willing to acquiesce and to join in a report to settle. But I declined to do so, and I think that Mr. Oakes Ames did; I know that he expressed his dissatisfaction, and I believe that all the rest did, except Mr. McComb, who expressed himself as entirely satisfied.

Q. State the character of the vouchers that came before you.—A. I think there were few or no vouchers that seemed to me to be proper vouchers.

Q. What was it that did come before you?—A. It is a good while ago, and my recollection is not very distinct; I think there was a voucher there from Mr. McComb, and I think there was a voucher there from Mr. Bushnell. It strikes me that there were some vouchers also from a Mr. Stewart—I am not sure about that, though.

Q. Were there any vouchers from a Mr. Hay?—A. I think very likely there were.

Q. What did these papers show on their face?—A. They did not show anything, except that the signers had received so much money, and nobody gave any explanation that was at all satisfactory to me.

Q. What was the date of that investigation?—A. I think it was in the autumn of 1867, but am not sure; it was very soon after I came into the direction.

Q. Was Mr. Bushnell present when this investigation was made?—A. I do not think he was; I do not think he was on the committee, but he may have been.

Q. Was Mr. McComb there?—A. I think Mr. McComb was there.

Q. Did Mr. McComb give you any explanation as to what he had done with the money?—A. He did not, and I believe he had not much to do with it. They claimed that they had spent the money down here in Washington, a good part of it, and Durant claimed, I think, that some of it was spent in compromising a complicated matter with some other railroad, I think with the eastern division. But the whole thing was entirely unsatisfactory to me, and I refused to give my assent to it, or to sign any report.

Q. And there was nothing specified in any of those vouchers that could enable you or any member of the committee to know for what purpose that money had been expended?—A. No, sir; Dr. Durant refused to give me any satisfactory explanation. I remember that Mr. Hazard, a large stockholder in the Union Pacific Railroad Company, not a director, I believe, but one of the executive committee of the Credit Mobilier, was not only dissatisfied, but made a very great opposition to it, which culminated in a suit that he brought on his own account in the courts of Rhode Island to recover this amount.

Q. Had the committee not understood, or at least strongly suspected, at the time you were investigating this suspense account, that that money had been applied for improper purposes?—A. If we had believed their declaration it would have been so, but I do not think we did.

Q. Was it declared there that the money had been applied for improper purposes?—A. They stated that it was a secret, confidential matter, and that they could not reveal what had been done with all the

money in detail, but they said that it had been spent chiefly down here in Washington. I inferred from what they said that the newspaper folks got a good deal of it, and then they said that they had compromised these railroad claims. Their explanation was exceedingly unsatisfactory.

Q. Was not their explanation to the effect that the money had been used to get certain legislation through Congress, to wit, the amendment of 1864?—A. I do not think that that was stated.

Q. Was not that your understanding of it from all that occurred there at that time?—A. My belief and my understanding (and I think that belief was shared by most of the others) was that the money was not spent at all, or any considerable portion of it.

Q. Did they not claim that they had used it here for the purpose of influencing that legislation?—A. No, I do not think they did claim as much as that. I know that I asked them if any of this money had gone to members of Congress in any way, and they denied that it had except in one instance, and that we did not believe in.

Q. In what instance was it that they claimed that money had gone to a member of Congress?—A. Durant said to me that Mr. Thaddeus Stevens had got $80,000 of it indirectly.

Q. Did he mention anybody else who had got any of it?—A. No, sir; he did not tell me of anybody else, and it is but just to Mr. Stevens's memory to say that I do not think there was a man of us who believed a word of the statement.

Q. Then it was claimed there that that money, or some portion of it, had gone for improper purposes?—A. That much of it.

Q. Was there any explanation as to the balance of it?—A. No further than what I have stated.

Q. They said it was secret and confidential and that they could not reveal?—A. Durant said to me that they could not reveal any further than that. I would not say that they said positively that the newspaper folks had got a good deal of it, but still I have got that impression. I remember that Durant said he had compromised these railroad matters and that they had cost a good deal.

Q. Did he say anything about what newspaper men had got any of it?—A. No, sir. I should hardly wish to say that that was one of the reasons given by him. It is only an indistinct impression that I have of it. When we called him up to know what he had done with the money, he was very unwilling to answer, and he answered what he did with very great reluctance.

Q. You had a voucher of Mr. Bushell's there also, did you not?—A. My recollection is that that voucher of Bushnell's was not a voucher, but a certification that one account was right to his knowledge.

Q. What account was that?—A. I have forgotten. It was a moderate amount—a very few thousand dollars, I think; I should say ten or fifteen thousand dollars.

Q. What was Mr. Bushnell's explanation of that item?—A. I do not know that I ever heard him make any explanation.

Q. You say he certified that it was satisfactory to him. Did you simply take this vague statement to that effect and pass it over in that way?—A. I tell you that I was not satisfied with hardly any part of it.

Q. Did you not press Mr. Bushnell to know what that was for?—A. Yes, sir.

Q. Did he tell you?—A. I think that that was for a bill at Willard's Hotel. My impression would be that it was about ten thousand dollars,

and for a bill that was paid at Willard's. We were pretty well satisfied that that bill was a fair one and not objected to, I think.

Q. How long had these gentlemen been here in Washington?—A. They were here quite a length of time. I think they were here most of the winter.

Q. Did Mr. Durant have an itemized account of the bill at Willard's?—A. O, no, I think not; there was nothing, I believe, itemized; everything was in gross.

Q. What other bills did you have there?—A. I do not recollect any other bills.

Q. Did anybody else certify that any bill was correct?—A. I think Mr. McComb did; I am not certain.

Q. What was the amount of the bill that he was certifying to?—A. It was quite a moderate amount.

Q. About how much?—A. Perhaps about the same amount as Bushnell's, but perhaps less; I do not know.

Q. What was it for?—A. I do not know.

Q. Was that a hotel bill?—A. I really do not know.

Q. Was it a newspaper bill?—A. No, I do not think it was a newspaper bill, or I should have remembered it.

Q. Can you not recall what this $10,000 item of McComb's was for?—A. I do not know that it was $10,000; it may have been $5,000 or $8,000, or it may have been $15,000. I would not state that positively, either.

Q. What is your best impression that that was used for, as you gathered it from that investigation?—A. I can hardly say that I have any impression as to the character of it.

Q. Have you no lingering, indistinct impression about it?—A. I have not, not the slightest. The whole matter was so unsatisfactory and disgusting to me that I refused to sanction it, or to have anything to do with it.

Q. It looked to you as if there had been so much money either wasted or improperly used, or improperly withheld from the company?—A. Yes, sir; it did.

Q. But nevertheless the committee, without having any evidence as to its being a correct account other than what you have stated here, allowed that account of $435,000?—A. No, sir; this committee, I think, never reported.

Q. But it was afterward allowed?—A. I do not think so.

Q. You think it still stands unsettled?—A. I think it stands just in that way. I know that Mr. Hazard has brought a suit against Dr. Durant for it in the courts of Rhode Island.

Q. So far as the books of this company are concerned it has been settled on the books?—A. Yes, sir; Dr. Durant had the whole control of everything, and paid it himself, at the time it was paid out, and we could not get it back.

Q. Has not the Union Pacific Railroad Company since allowed that suspense account?—A. Not to my knowledge.

By Mr. SHELLABARGER:

Q. This record shows the suspense account to be composed of the following items:

1864, August 1, T. C. Durant	$44,549 45
1864, August 25, T. C. Durant	4,000 00
1864, September 1, T. C. Durant	66,325 00
1864, September 14, T. C. Durant	13,128 13

1864, September 14, T. C. Durant	$6,500 00
1864, September 20, C. S. Bushnell	5,751 43
1864, September 26, G. T. M. Davis	3,000 00
1864, September 29, Innes C. Kennedy	2,000 00
1864, September 29, Alexander Hay	4,000 00
1864, September 30, T. C. Durant	50,000 00
1864, September 30, T. C. Durant	8,000 00
1885, March 31, T. C. Durant	30,000 00
1865, March 31, Durant	5,500 00
1865, March 31, H. C. McComb	1,000 00
1865, December 29, T. C. Durant	112,000 00
1866, March 30, special committee	50,000 00
1866, May 10, special committee	20,000 00
Aggregate	435,751 43

Then follows the report of the special committee, which I will read to you:

"*To the board of directors of the Union Pacific Railroad Company:*

"The undersigned special committee, appointed by the resolution of this board passed January 4, 1867, respectfully report that we have informed ourselves as to the details of the accounts, of which the following is a settlement, and have found that the several amounts were paid as above contained, on proper authority of the board and on proper vouchers, and that the facts in the premises are satisfactory to us.

"OLIVER AMES.
"J. J. CISCO.

"NEW YORK, *September* 11, 1867."

"On motion of Mr. McComb,

"*Resolved*, That the report of the special committee, in reference to certain suspense account, be approved and adopted, and that the accounts be closed and charged to construction."

By the CHAIRMAN:

Q. The account that has been read to you was the account which was under investigation at the time you have spoken of when you were a member of the committee?—A. Yes, sir; I think so, but cannot recollect distinctly. I was not a member of that committee and not in the direction then.

Q. The amendment that is commonly known as the amendment of 1864 was approved on the 22d of July, 1864, was it not?—A. Yes, sir.

Q. Did not these items, that have been read to you, have reference to expenditures that were made at the time the legislation of 1864 was pending?—A. A large portion of them were alleged to have been expended in 1862 and 1864; most of them, I think, in 1864. I never believed, however, that they were spent.

Q. Do you recollect an item of that account under the head of "special committee, $50,000?"—A. No, sir.

Q. Do you recollect of hearing anything said about that special committee?—A. No, sir; I never heard anything about it.

By Mr. SHELLABARGER:

Q. State to the committee whether in this investigation of yours you interrogated Mr. Durant particularly about these large items that were in his account.—A. Yes, sir.

Q. Did you interrogate him about what he did with that $112,000 that appears in his account as on December 29, 1865?—A. I presume so, but I do not recollect what his answer was. I only remember the general terms of it.

Q. State to the committee what account he gave to you, as a member of that committee, of what was done with that $112,000?—A. I do not recollect particularly about that item, or about any other item in particular.

Q. You cannot state to us anything he said to you in reference to the item of $50,000 of December 3, 1864?—A. No, sir; what I remember is entirely confined to the general account.

Q. So that you can give us no information as to either one of the items of his account, as derived from what he said about it himself?—A. No, sir; I cannot.

Q. State, then, what you can tell us about his statement touching the aggregate of his account.—A. I have stated that as nearly as I can recollect. He stated that it was spent down here mostly; that there were some legal expenses in it, and that a considerable portion of it was used in the compromise of those railroad claims.

Q. How much did he claim to have paid out in compromising these railroad claims?—A. That I do not know.

Q. Did it cover any considerable part of it?—A. He claimed that it did.

Q. Why should that have been suppressed or made secret?—A. It should not have been.

Q. Why did he say that he would not give you any account in detail of these very large items?—A. He merely stated that he regarded it as private and confidential, and that he had spent the money under the authority of the board at the time. But he was really and practically the whole board.

Q. He claimed that he had spent it under the authority of the board; please state what that authority was—how broad it was.—A. I was looking at that resolution the other day, and if you let me see the books now, I think I will find it. (After looking over the book.) I cannot find it, but I think I can give you the substance of it. I think that in April, 1864, a resolution was passed by the board of directors of the Union Pacific Railroad Company, (I only know this from the records, as I was not a director for a long time afterward,) authorizing a committee to go to Washington and procure additional legislation, and that such expenditures (I think the words used are "such proper expenditures") as might be necessary should be borne by the company. That is my recollection of that resolution. Then, when this $112,000 was put on the account, a resolution was passed sanctioning that as being in accordance with a resolution of the company passed in April, 1864, if that is the date. That is my recollection of it. I was only looking at that the other day. I saw that item and hunted the matter up.

Q. Your memory is that the resolution authorized proper expenditures in securing additional legislation?—A. That is my recollection of the resolution, which I never saw till the other day—say within ten days from this time.

Q. You have stated that in investigating the details of this account Mr. Durant said to you that they had expended the money under the authority of the board, but that there were confidential expenses which he declined to reveal to the committee. Is that right?—A. That is substantially as I understood it.

Q. Did he give any reason why it was improper to communicate ev to the board what was done with that money?—A. No; he did not.

Q. Was there anything said about a large portion of that mon having been handed over to a lawyer by the name of Stewart?—A. think there was.

Q. Did he state to you anything about what kind of vouchers Ste art had rendered to the committee that was sent to Washington or Mr. Durant?—A. He said that Mr. Stewart had rendered proper vou ers for the whole.

Q. Did he produce to you these vouchers, or did you ask him to so?—A. I cannot say as to that; I do not think he presented them.

Q. Why did he not, if he did not?—A. That I do not recollect, I am not sure that we asked him.

Q. So that the result of your investigation was that you found nothing whatever in relation to what was done with that money exc this general statement contained in your answer as to some of it hav been spent in compromising with railroads and other portions of it sp upon newspaper men; and that is as far as you can go in giving account?—A. My impression is that we found out just about as m as this committee found out the other day when examining Mr. Dur I was here and heard his testimony.

Q. Did your committee make a report to the board of directors of Union Pacific Railroad Company of the result of your investigation that suspense account?—A. They did not.

Q. Why did they not?—A. Because there was such a differenc opinion, I think; and then I do not think it was a committee of board; my recollection of it is that it was a sort of informal com tee appointed, or rather requested, for the satisfaction of all partie act in the matter. It consisted of some of the prominent stockhol as well as directors; I know that Mr. Oakes Ames was on the com tee, and was in consultation with us, and he was not a member of board of directors of either company at that time, but was me brought in and consulted as a prominent large stockholder.

Q. Have you given, in answer to the chairman, the names of the m bers of that committee?—A. I think not.

Q. Please state their names.—A. I only remember Mr. Oakes A Mr. Hazard, myself, I think Mr. Dillon and Mr. McComb, and, I ra think, Mr. Oliver Ames, but I really do not remember with much tinctness their names.

Q. Can you state anything about a resolution ordering a commi for the purpose of examining this expense account, with a provi that their action and settlement should be final?—A. There never any such resolution passed to my knowledge.

By the CHAIRMAN:

Q. What do you know about an item of $126,000 known as "sp legal expenses?"—A. I know nothing about it; that was after I le board.

Q. Have you not been present at any meeting of the board when account was investigated?—A. No, sir; I think that that was after the board.

Q. Were you not at any time a member of the board when a com tee was appointed to investigate that $126,000 item?—A. No, sir.

Q. What do you know in relation to an item of $50,000 for lega penses?—A. I was in Mr. Cisco's office one day about the time that were after Mr. Oliver Ames, at the time of the Fisk raid, as we c

Mr. Cisco was treasurer of the company at the time. While sitting at his table, Mr. Fullerton and Mr. Tracy, counsel to the company, and Mr. Bushnell came in and spoke to Mr. Cisco, and said they would like to say a word to him. They went up to one corner of the room and whispered together. I did not hear what they said. Then they called Mr. Oliver Ames, and he went up. Mr. Oliver Ames came back to me and said that Mr. Fullerton and Mr. Tracy said that that suit could be settled for $50,000. Mr. Ames said that it was outrageous to black-mail us in that kind of a way. I told him I thought so too, and said I, "So far as I am concerned I never will give it my approbation, and I advise you to have nothing to do with it." "Well," said he, "I shall not have; I do not believe in it." That was his expression. These gentlemen whispered together still longer, and Mr. Ames and I went away. A few days afterward Mr. Ames told me that they had taken that money, and that it was obtained from Mr. Tuttle, the assistant treasurer, and he was quite indignant to think that it should be taken in that way. We could not learn much about it, how it was disposed of, or what was done with it. I think that nearly a year afterward we called Mr. Cisco to an account, and he said that he knew nothing about it, further than that it was paid to counsel on an order from Mr. Oliver Ames, and under the advice of Mr. Bushnell and Mr. Alley. I went right down to see Mr. Cisco, and asked him what he meant by stating that. I said that I had had nothing to do with it, that they did not consult me, and that all I knew about it was what Mr. Oliver Ames told me after he came back from consultation with them, and that I had advised Mr. Ames not to have anything to do with it, and not to pay the money, because we regarded it as a black-mailing affair on the part of Fisk and his folks. Mr. Cisco said, "Well, it is some time ago, and I am mistaken about it. I thought that you assented to it." I said, "No; I never did." He said, "Undoubtedly you are right about it." But it was so long ago that he had forgot the exact circumstances. Then, when they impeached Judge Barnard somebody brought that up, and they called on Mr. Bushnell and Mr. Fullerton to say what was done with that money. There was a suspicion that a portion of that money went to Judge Barnard. Both of them stated, however, so I was told, under oath, that it was paid to Fisk, and that Fisk agreed to withdraw the suit and settle the whole thing; but that for some reason or other he did not choose to do it, and, to use their expression, "went back on them." That is all that there is to that, and I think that is all that anybody knows about it.

Q. Is that all you know about it?—A. That is all.

Q. You have no personal knowledge where the money went, and no information further than what you have stated?—A. No, sir; it was very unsatisfactory to us, and we tried to trace it out; but that was all that we could find out about it.

Q. Do you know of any money having been paid out of the funds of the Union Pacific Railroad Company or of the Credit Mobilier to aid in the election of any other person to the Senate of the United States or to the House of Representatives than what you have spoken of in connection with Senator Harlan?—A. No, sir. The Credit Mobilier never paid a dollar, nor the Union Pacific Railroad Company, while I was connected with them, for any such purpose, to my knowledge.

Q. Have you any information of anything of that sort having been done with reference to any other Senator or Representative of the House?—A. No, sir; I never heard anything of the kind.

Q. Did you ever hear anybody demanding that $10,000, or any other

sum of money, should be sent anywhere for aiding in the election of a United States Senator?—A. No, sir.

Q. Did you never hear of anything of that sort?—A. No, sir.

Q. Did you ever hear any member of Congress declare that if $10,000 was not sent for the purpose of securing the election of a United States Senator, he would make it cost them as many million dollars, or something to that effect?—A. No, sir.

Q. Did you ever hear of anything of that sort before?—A. No, sir.

Q. Have you ever said that you had heard anything of that kind?—A. No, sir; of course not.

Q. Not to anybody?—A. No, sir.

Q. Did you ever tell anybody that General Butler had made a demand of that kind?—A. No, sir; I never did.

Q. Did you ever hear of General Butler having made such a demand as that?—A. No, sir.

Q. This is the first you ever heard of it?—A. Yes, sir.

Q. You were a member of the board of directors in 1868?—A. Yes, sir.

Q. I wish to call your attention to an entry on the journal on the 31st of January, 1868; "C. M. of America, debtor. To cash for and on account of agreement with them for contract, $1,104,000." You will find a corresponding entry on the ledger. Do you know what that refers to?—A. (After examining the entry.) No, I do not know what that refers to. I presume that that refers to that contract, but I do not know.

Q. Do you know for what that $1,104,000 is?—A. I do not. I had never anything to do with the books.

Q. Look at this entry on the record-book of the trustees of the Oakes Ames contract, page 24, (quoted in Mr. Oliver Ames's testimony.)—A. (After reading it.) I do not know positively what that refers to. I think I can explain it, but I may be mistaken.

Q. I would like to have your explanation of it as you understand it.—A. My impression is this: when the change took place in the disposition of the Credit Mobilier, we turned out Mr. Durant and his party. They had controlled the Union Pacific Railroad Company. The Credit Mobiliar was expecting to have a contract with the Union Pacific Railroad Company, either directly or indirectly, to finish the balance of the road, but Mr. Durant stated that he never would consent to let the Credit Mobilier have another contract, because they had turned him and his party out, and that the road should never be built by and through the Credit Mobilier, neither should the Credit Mobilier have anything to do with it. That he said to me and to other managers. Still the Union Pacific Railroad Company had absorbed nearly all the capital of the Credit Mobilier. They owed the Credit Mobilier two or three million dollars. The Credit Mobilier felt that it ought to have a contract to go on and build the road inasmuch as it had put all its capital into it, or nearly all, and as the Union Pacific Railroad Company was in its debt. The Credit Mobilier had bought a good deal of iron and materials, and furnished means to purchase all the materials that had gone into the road. When the Credit Mobilier found that it was impossible to get a contract, with the state of feeling that Dr. Durant was then in against the Credit Mobilier, and when it was concluded to give a contract to Mr. Oakes Ames, then the Credit Mobilier felt very much aggrieved that it should be deprived of what it regarded as its rights and privileges, having put all of its money in there with the expectation of getting the contract, and having really furnished the means and used its credit and loaned its money to the

Union Pacific Railroad, which enabled the Union Pacific Railroad Company to build this amount of road that was afterward put in with Mr. Oakes Ames's contract. After a good deal of talk and controversy, and some ill-feeling about it, it was afterward concluded to compromise the matter; and the directors of the Union Pacific Railroad Company felt that under the circumstances, inasmuch as they had got this capital from the Credit Mobilier and were unable to pay it back, it was nothing but just and right, on the whole, to give them the profits on the portion of that road, 58 miles I think it was, which they regarded as the profits, because the Credit Mobilier had actually realized but little on the 247 miles which they had built. It was finally concluded to fix it up in this way as a matter of justice and right all round, and the Credit Mobilier claimed whatever profit there was on that 58 miles, and I presume that that resolution refers to that and was on account of that claim; but still I do not know. I cannot understand that it can belong to anything else. That is my version of it in my own mind. I cannot say that I know anything from personal knowledge. If I knew at the time I have forgotten about it. Very likely I did know all about it at the time.

Q. That was a very large sum of money and not a matter very likely to be passed over without attracting your attention?—A. No. I say that is my explanation of the matter, in my own mind.

Q. I find this same resolution in another record. Now, I would like to get your explanation as to what this expression here means: "To enable them to make the stock of the Union Pacific Railroad Company held by them full paid?"—A. In looking at this, I am still more confirmed in the opinion that my explanation of it is correct, and that it refers to that contract. I think that the expression, "to enable them to make the stock of the Union Pacific Railroad Company held by them full paid," refers to this, (still I do not know it, but it is only a matter of inference from facts that I do know:) Some time before I came into the direction, a year or two before, there was a sale of a large amount of stock to the Credit Mobilier, on which $30 a share had been paid; and the Credit Mobilier assumed it. Then they sold it, I believe, to the stockholders of the company for some $6 a share, subject to future calls. I presume that that $1,104,000 was appropriated in that way to make that full-paid stock. I do not know of anything else that it would apply to, and it certainly would apply to that very properly. It is a mere inference with me.

Q. But this stock, according to the terms of the law, was to be full-paid stock to the Union Pacific Railroad Company?—A. It was.

Q. Every share of stock was to be paid for, dollar for dollar, was it not?—A. It was.

Q. Then, why was it that the $1,104,000 was not paid to the Union Pacific Railroad Company, instead of to the Credit Mobilier? It was the Union Pacific Railroad Company that was entitled to be paid, dollar for dollar.—A. Yes; and the Union Pacific Railroad Company got dollar for dollar at the time the stock was issued. (After reflection.) No, that cannot be either. I will tell you how I suppose it was: When the Union Pacific Railroad Company was first started, they made their subscriptions and then made their several assessments upon those subscriptions. This stock that was transferred to the Credit Mobilier had been assessed only 30 per cent., the same as the others. It was all assessed alike. There was a good deal of stock that was issued in the first period of the enterprise in that way, and I believe that that portion of the stock subscriptions was taken and assessments laid, and these assessments amounted

in the aggregate to 55 per cent., I think; but at the time this right (which was merely a right) was transferred to the Credit Mobilier, there had been only $30 a share assessed on it. I think it refers to that.

Q. Who did you understand held this railroad stock that was to be full paid under this resolution? Was it held by the Credit Mobilier, or by these trustees?—A. That I cannot say; I do not recollect.

Q. That was a very large transaction. Can you not fix it in your mind in any way?—A. Not at all. If there had been anything wrong about it, I should. But if the transaction had been as much as $5,000,000, and if at the time I found it all right and correct and understood it, it would pass out of my mind, and I should not be likely to know anything about it at this late period. If, however, there had been anything wrong about it, I am quite sure I should have recollected it. If there had been an item of a million of dollars entered on these books in any way irregularly, or if there had been any impropriety in it in any way, I have no doubt that I should have recollected all about it.

Q. It is so entered here as to be utterly incomprehensible to you now, is it not?—A. No, not exactly incomprehensible, because I explain it in my own mind by referring to this matter.

Q. But you explain it, not from the entry on the books, but from a vague sort of recollection that you have?—A. Yes, sir; that is it.

Q. You could not take those books and account from them for this large transaction?—A. No, not so far as an explanation of the books is concerned. I judge from what I know of those two matters and the resolution. The resolution is rather indefinite.

Q. The item is charged up to the account of contract on the ledger and journal?—A. I know, and I have no doubt that it is all correct. Still, I do not know anything about it. I had nothing to do with the books. I used to look over them occasionally, and if there had been anything wrong in them at the time I should have noticed it.

Q. I wish you to state to the committee how this stock was issued by the Union Pacific Railroad Company, and in what way the Union Pacific Railroad Company ever got full pay for that stock which was issued by the company—$36,000,000.—A. I have no idea that a dollar of stock was ever issued by the Union Pacific Railroad Company, and a certificate given, that was not fully paid. If there is anything of that kind I never knew it. There certainly never was while I was a director.

Q. You say you believe that this stock was full paid, every share of it?—A. Every share of it.

Q. I wish you to state now in what way the Union Pacific Railroad Company ever got full pay for that stock.—A. It was paid for in cash, as I understand it.

Q. Do I understand you to say that $36,000,000 and more was paid into the treasury of the Union Pacific Railroad Company on account of stock in actual cash?—A. I have no doubt of it if there have been certificates issued to that amount, because the law provides that that shall be done.

Q. Do you not know as a fact that that never was done, and that no such sum as that in money ever did go into the treasury of the Union Pacific Railroad Company on account of stock issued?—A. I think it did. I not only do not know that it is not a fact, but I believe that the fact is that every dollar of that stock was paid for.

Q. In what way was it paid?—A. I know that so far as the Credit Mobilier subscriptions were concerned, (and that is all I know about it personally,) we paid for the stock in cash or checks.

Q. Was it not done by checks instead of cash?—A. I do not know, only from what I have heard of the testimony here.

Q. Then why do you say that you believe that every dollar of this $36,000,000 was paid in cash to the treasurer of the Union Pacific Railroad Company—why do you make that statement?—A. If you owed me $10,000, and if you sold me a house for that amount, and if, instead of getting the money on your check for the $10,000 you owed me, I gave you back your check in payment for your house, I should say that I had bought and paid for it $10,000.

Q. But you would call that a paper transaction, and not a mere handling of money?—A. In one sense it would be a paper transaction, and in another sense it would not be.

Q. Is it not a fact that contracts were made for the construction of this road, and that the contractors agreed to take Union Pacific Railroad stock in payment for portions of the work done under the contract?—A. I think that was the fact. I do not know that anybody disputes it.

Q. Then, in consideration of this contract, the stock was issued to the contractor. If the Credit Mobilier were the contractor or the assignee of the contractor, the stock was issued to the Credit Mobilier; or if a board of trustees were the contractor or the assignee of the contractor, then the stock was issued to the board of trustees. Is not that the way it was done?—A. Yes.

Q. Then, instead of the Union Pacific Railroad Company getting money for its stock, it got the performance of the contract in payment for the stock?—A. No, sir; it got what was the same to it as money.

Q. I am asking you for a fact and not for an opinion. Is it not a fact that the Union Pacific Railroad Company, instead of getting money—I am talking about money, not checks or drafts—instead of getting money for its stock, got the performance of a contract?—A. I have told you the exact facts, which you have already in your possession, and I do not know why you want them repeated. If these men contracted to build and equip this road for $42,000 per mile, and were to take pay in bonds and stock at par, then you may say that that stock was appropriated in payment of this contract. Now the question arises——

Q. I am not talking about questions; is that the fact?—A. That is the fact.

Q. Then it is a fact that the money did not come into the treasury of the company?—A. I know that in many instances the money did so far as the Credit Mobilier is concerned.

Q. I am talking about the stock issued to the contractors or the assignees of the contractors. So far as that stock is concerned was the money paid into the treasury?—A. That I cannot tell you about. I know that they took the advice of the most eminent counsel in New York, and that counsel advised them that a *bona-fide* debt against the company was, in their judgment, equivalent to money, and answered the provisions of the law. Whether the counsel were mistaken or not in that advice, that is not for me to say.

Q. Well, you acted upon that advice?—A. I had nothing to do with it; they did, I presume.

Q. The business was transacted in accordance with that advice?—A. I presume it was; I have no doubt of it, and in some instances—I remember one instance in particular where some money was due the Credit Mobilier and stock was issued to them in payment, and in this instance I speak of, Mr. Cisco—I think it was he—was so particular

that they deposited the money—actual money, no checks—and then paid for the stocks. There were several instances of this kind, but I knew of only this one. The counsel told him it was all folly to take such trouble as that; that if there was an actual debt due from the company it was cash in the eye of the law, and that both morally and legally it was all right.

Q. And that was the way the business was done?—A. Yes, sir.

Q. Are you familiar with the letting of any of these contracts for the construction of the road?—A. I was familiar with the letting of the contract to Oakes Ames.

Q. Had you no connection with the letting of the contract to Hon. J.—A. That was before my day, and I had nothing to do with it.

Q. Now, when you let the contract to Oakes Ames, what was the stock worth?—A. I do not think there was any market value to it at all.

Q. What was it estimated to be worth?—A. Well, different prices.

Q. About what?—A. Mr. Ames thought it was worth 100; Mr. Blanchard thought it was worth 80, and bought some at that price. I think it was generally regarded as being worth a great deal more than it turned out to be; that is my impression.

Q. Was it not generally regarded as being worth 30 cents on a dollar?—A. It was so regarded by some.

Q. Was it not the generally received opinion that it was worth only 30 cents on the dollar?—A. That price was arbitrarily fixed for the adjustment of some claim, where they were going to distribute stock among the parties in interest, but I do not think that was regarded as the market value or the intrinsic value of the stock.

Q. Was that sum arbitrarily fixed with reference to the letting of the Oakes Ames contract?—A. No, sir; it had nothing to do with the Oakes Ames contract; my impression is that it was fixed with reference to making a dividend in the Credit Mobilier Company.

Q. Was it or not understood at the time the Oakes Ames contract was let that the stock was not worth par?—A. I do not think it was regarded as worth par by anybody except Mr. Ames; he was very sanguine about it.

Q. When the Oakes Ames contract was made, was there any margin allowed in the amount per mile which was to be paid for the building of the road on account of the fact that the stock was not worth par, and that a portion of the stock was to be taken in payments on the contract?—A. That I cannot say.

Q. You heard Mr. Ames's testimony on that point last Saturday night, did you not?—A. I think I did.

Q. Was that testimony correct according to your recollection?—A. In what part? Some things were not in accordance with my judgment.

Q. I am speaking more particularly in reference to the matter I have just been interrogating you about—the value of the stock in connection with the price agreed to be paid for the construction of the road.—A. I do not remember what he valued the stock at.

By Mr. SHELLABARGER:

Q. He valued the stock at about thirty per cent. as near as he could state; he thought it was regarded at about that in making the Oakes Ames contract.—A. I think he is mistaken about that, but I do not know. I should say that his estimate of its value at that time was much more. I know that thirty per cent. was merely taken as an arbitrary figure for the purpose of settling with the Credit Mobilier.

By the CHAIRMAN:

Q. Was it not quoted at that time in the papers?—A. No, sir; there were no quotations; it had no market value.

Q. Was the stock on the market?—A. No, sir; I think not. Mr. Hazard bought some at 80 just about that time, and I remember saying to him that if he wanted any more I would sell it to him at that price.

Q. The fact I wish to direct your attention most particularly to is whether or not, in making the Oakes Ames contract, the price per mile agreed to be paid for the construction of the road was increased because the payment was to be made in stock that was below par.—A. That I cannot say, but I have no doubt it was so. I was opposed to the contract.

Q. I want to ask you how that can be reconciled with fair dealing to the Union Pacific Railrod Company. The Union Pacific Railroad Company was to have dollar for dollar for its stock, but if the price of constructing this road was increased simply because this stock was worth but 30 cents to the dollar, then the Union Pacific Railroad Company would not get dollar for dollar for its stock?—A. It would not practically.

Q. Well, it is practical matters we are dealing with now.—A It would not practically; that is so.

Q. Then, if you have any explanation to give why this kind of an arrangement should be entered into, whereby the Union Pacific Railroad should not get dollar for dollar for its stock, notwithstanding the law provided that the stock should be paid for, dollar for dollar, I will be glad if you will state it to the committee.—A. I have stated in my testimony heretofore given here that when that proviso was put into the bill requiring that the stock should be paid for in full, and that the books should be kept open until the one hundred millions was subscribed, and that they should be kept open in all the large cities of the Union until that amount was subscribed, or the road finished—I said, when that proviso was put into the bill, to many members of Congress, although I went for the bill and was very anxious to have the road built, I said that that provision was one which it was utterly impracticable to carry out literally; that it was not possible to build a railroad under such a provision. After they had attempted to build the road, and it had broken down, and they could not go on with it, and the parties in interest who had put in half a million of dollars said they preferred to lose all they put in rather than jeopardize more, Mr. Ames came to me and I told him that that provision was fatal to the building of the road; that no road could be built under such conditions. He said to me that he knew that very well, but that they could build it under a corporation. Mr. Ames and some of the rest of us were then building roads in Iowa under a contracting company, which required the expenditure of four, five, or six million dollars. Fifty individuals could get together and agree to build a road for five or six millions of dollars, paying in their money to a common treasury; and they were very certain that the road would be put through and they would have their money back again. But when it came to a road which would cost seventy or eighty million dollars, no contracting company would be safe in taking such a responsibility upon them. Therefore they resorted to a contracting company with corporate powers, namely, the Pennsylvania Fiscal Agency, which was afterward changed to the Credit Mobilier, and they went on and built two hundred and forty-seven miles of road, and were prevented from going on farther, for reasons I have given, because Dr. Durant and his party, who controlled the Union Pacific Railroad at that time, would

not allow us to go on farther, and said that the Credit Mobilier should not have anything to do, directly or indirectly, in the further building of the road. We never received one dollar of profit from it, and the stock of the Credit Mobilier, so far as enjoying dividends were concerned, was not worth, except as a basis of determining the amount of interest which you could take in the Oakes Ames contract, more than your or anybody else's note. It was just worth one hundred cents on a dollar and no more, the day after the agreement was signed, and no dividends were drawn on it.

Q. You are getting away from the point to which I was directing your attention. I want to know what explanation you have to give why the Union Pacific Railroad Company did not get dollar for dollar for its stock.—A. That is the explanation that I give. Practically that could not be carried out. The road was built just as all other railroads are built, and I do not see how there was any wrong done to the stockholders of the Union Pacific Railroad Company, when all consented to it, and all participated in it to an equal degree, and no director, trustee, or any other party had any advantage that was not shared in common by every stockholder of the Union Pacific Railroad Company.

Q. You say the stockholders of the Union Pacific Railroad Company all consented to it?—A. Yes, sir; every man of them.

Q. The stockholders of the Union Pacific Railroad Company and the stockholders of the Credit Mobilier were the same persons, were they not?—A. They happened to be substantially the same; they were not so necessarily.

Q. Was it not the understanding at the outset that they should be identically the same?—A. No, sir; nothing of the kind. That contract was given to Mr. Ames without reservation or qualification, as, I think, he will tell you. I think I know about that, because there was a great deal of discussion on the subject, in which I participated, because I was opposed to it.

Q. If there were any persons who were stockholders of the Union Pacific Railroad Company, and were not stockholders of the Credit Mobilier, it would be a fraud on them, would it not?—A. It would, if the contract price was exorbitant, unless they consented to it; but we had this understanding before signing the contract, and certainly every candid man must see that it is perfectly fair; we offered to every stockholder of the Union Pacific Railroad Company their *pro rata* proportion just the same as the others had. If they did not choose to go in, we would buy their stock from them. They were all perfectly satisfied, and if there was any wrong done to anybody, I cannot see it.

Q. Those who didn't go in, you bought out their stock?—A. Yes, sir.

Q. So you made the two practically the same; that is, composed of the same parties?—A. There was no design in it.

Q. But that was the fact?—A. The fact is, that the stockholders of the Credit Mobilier and the stockholders of the Union Pacific Railroad Company were substantially the same; yet that had nothing to do with the contract.

Q. I am not speaking about that; those who didn't go into the Credit Mobilier you bought out of the Union Pacific?—A. Not all of them.

Q. Who were left out?—A. I forget now.

Q. How did you make this thing even or fair with them?—A. Well, they were settled with to their satisfaction; some got a considerable proportion of profits under the contract.

Q. How did they get any profits if they did not go into the Credit Mobilier?—A. They got it by an understanding.

Q. You had some private understanding, then, with some of them?—
. No, I do not think there was any private understanding. None to
y knowledge.

Q. What was this understanding by which they were to get their
ney when they didn't go into the Credit Mobilier?—A. I do not know;
ere was a general understanding to do what was right with them, and
ake them satisfied.

The committee here took a recess for one hour.

On the re-assembling of the committee, Mr. Alley's examination was
umed.

By the CHAIRMAN:

Q. Have you any further explanation to make as to whether or not, by
e mode of letting these contracts, the Union Pacific Railroad Company
ceived but 30 per cent. of its capital stock that was issued in payment
r the construction of the railroad?—A. I believe I got through on that
int, except I would say this: the stock was not taken at 30 per cent.,
d that was not understood to be its real value; it was to be determined
the future what its value was.

Q. I understand your version of this matter to be that, when you let
e contract, it was at such a price that the stock that should be received
the contracting parties in payment on that contract should only cost
em thirty cents on a dollar?—A. I do not mean to say anything of
at kind.

Q. Do you not mean to say that, when they let the contract, they in-
eased the price per mile, so that the stock should only cost these par-
s thirty cents on a dollar or some sum less than par?—A. I suppose
it to be the case, that, whatever profit there was in that contract, would
ely all of it be in the stock, and it was very problematical what that
ck would be worth. In the estimation of some, it would be worth
; in the estimation of others, 50 per cent.; in the estimation of others,
per cent.

Q. It was understood, however, that it would be worth less than par,
d therefore the price at which the contract was let was correspond-
ly increased; is that the fact?—A. That was the fact in the estima-
n of some.

Q. Was not the basis upon which the Oakes Ames contract was made,
at the stock was understood to be worth less than par, and the con-
ct price was increased correspondingly?—A. I suppose it to be the
e as with other railroads. When men take contracts to build rail-
ds, and agree to receive bonds and stocks or whistles and traps for
eir pay, they calculate to get a greater sum than they would if it was
d cash right on the nail. I have no doubt about that, if that is what
u mean, and nobody else can have.

Q. Then it was upon that theory or idea that this contract was let?—
. No, not to the extent that contracts are generally let.

Q. Did that idea enter into this contract, no matter to what extent?—
. Well, it probably did in the minds of some, but I do not know that
did in Mr. Ames's mind. Mr. Ames is a very sanguine man; he be-
ved the shares to be worth a great deal more than I did.

Q. If such is the fact, will you explain how it is the Union Pacific
ilroad Company got dollar for dollar for its stock?—A. Because they
re paid cash for it in the indebtedness of the Union Pacific Railroad
mpany to these parties, and a debt against the Union Pacific Rail-
ad Company was as good to them and was as good to anybody, and
s been up to the present time, as cash.

Q. But that debt was incurred by this contract?—A. Of course it was made by contract. Could any railroad be built without making a contract and incurring some debt? I am telling you just as I understand it. I say plainly and distinctly, when I took that stock I did not believe it to be worth one hundred cents on the dollar; but some were more sanguine than I was, and I have no doubt that the contract was made and the price set upon it somewhat different than it would have been if the consideration was *bona-fide* cash instead of stocks and bonds, because the stock was really worth, at one time, comparatively little, and the bonds would not have brought anything like par.

Q. If I understand you now, the price was increased because of the depreciation of the stock?—A. I am not saying that; I am only telling you what was in my own mind as to the value of it. I do not think it is quite right to ask a witness to state the exact facts, just as they are, and after he does state them, fully and completely, to then require him to give an opinion, as a matter of inference, upon what other men in the company intended; which opinion is to be construed against the proper interpretation of the law.

Q. I do not want any opinion in regard to the matter; I am trying to get the facts.—A. I have certainly stated all the facts or have intended to do so, and have given as good an explanation of it as I am capable of.

By Mr. SHELLABARGER:

Q. I understood you to say to the chairman that this stock, issued to the Credit Mobilier or its stockholders, was paid for by them in cash in effect. Now I wish to ask you this question; you used the expression a while ago that a contractor taking his pay in whistles and traps was not expected to take it as low as if he got the hard cash. Now, suppose that the Credit Mobilier sold to the Union Pacific Railroad Company for one hundred thousand dollars a whistle, to use your expression, and gave a check for it in payment, in order that that check should then be passed over in payment for stock; would you deem that a payment for the stock in cash or a substantial compliance with the law requiring the stock to be paid for in cash?—A. No, sir, I should not; I should think they were paying pretty dear for their whistle.

Q. Now, suppose that this whistle that you speak of was a contract sold by the Union Pacific Railroad Company to the Credit Mobilier at twice what it was worth in cash, would that transaction, although paid by checks, be equivalent to a payment of cash to the Union Pacific Railroad Company for its stock?—A. That would depend upon circumstances.

Q. I have stated the circumstances in my question; I desire simply to understand you.—A. State your question again.

Q. Suppose the price of the contract was augmented to double what it could have been let for in cash, and then the transaction was consummated by giving checks to each other as you have described, would you deem that equivalent to a payment in cash for the stock of the Union Pacific Railroad Company?—A. No, sir, I would not; not under those circumstances.

Q. Therefore, if there was any putting up of the price of this work beyond what it could have been got for in cash, owing to the fact that the contractor had to take his pay in what you call traps and whistles——

The WITNESS. I beg your pardon. I did not use the phrase traps and whistles in reference to Mr. Ames's contract. I spoke of other railroads, and was using it only as an illustration.

Mr. SHELLABARGER, (continuing.) If there was any putting up of the ...ce of the work, owing to the fact that he was to take part of it in ...k, then you would not deem the stock as sold for cash, as required ... the charter, would you?—A. I would not quite say that. If you ...e to ask whether that contract would have been taken any lower for ... cash down, without any reference to bonds or stock, I say I presume ...ould. That, perhaps, answers your question.

By Mr. HOAR:

Q. Were you in the direction of the road at the time of the Oakes ...es contract?—A. I was not.

Q. You had no relation to the Union Pacific Railroad Company other ... that of a stockholder?—A. I had not.

Q. Do you remember what amount of stock you then had?—A. I think ...wned one thousand shares.

Q. Were you one of the original subscribers?—A. I was not.

Q. How did you acquire this stock—these one thousand shares?—A. ...y impression is that I purchased it of the Credit Mobilier; I believe ... stock that came to them under the Hoxie contract; that is my ...pression. I could not tell you exactly without reference to the books.

Q. You got it as a dividend?—A. No, sir, as a purchase.

Q. What did you give for it?—A. I have forgotten now. I think it ... $4 a share, upon which $30 had been paid. I do not remember ...actly about it; that is my impression.

Q. Did you engage to pay the other $70, or was that to be paid by ... Credit Mobilier under this contract?—A. I do not remember how ...t was.

Q. You had 1,000 shares, amounting to $100,000 at par; this was ... before the execution of the Oakes Ames contract. Now, there had ... paid by the Credit Mobilier $30,000 on those one thousand shares?

...A. I said $30 a share; that is my recollection.

Q. Well, somewhere in that neighborhood, and that amount had been ...d under some construction contract; it had not been paid in money, ...thout any paying back?—A. That I cannot say. It was some time ...re I was director, but my impression is that it was obtained in that ...y.

Q. Well, you got for $4, in that way, what $30 had been in some ...nner paid for according to your recollection?—A. Yes, sir; if I am ...ht in my impression in regard to the way in which it was obtained. ...m not certain of it.

Q. Did you at any time pay to the Union Pacific Railroad Company ... cash the balance on that $100,000, the $70,000?—A. Certainly not.

Q. Was it not paid under these construction contracts in some form ... another?—A. It is my impression that it was; I think that resolu... I have referred to provided for that.

Q. The stock was so much depreciated at that time that what counted ... the payment of $30,000 on the shares you held you were in reality ...abled to acquire by the payment of $4,000?—A. No, I should not say ...at.

Q. Is not that substantially what you have stated?—A. No, because ... was paid for by the Credit Mobilier; and I, being a stockholder in ...at corporation, paid my *pro-rata* proportion. I paid it out of one ...cket and put it in the other.

Q. Did it ever cost you more than $4 a share in cash?—A. I suppose ...at it cost me $100 in that indirect way.

Q. But in any direct way it didn't cost you more than $4?—A. I only say $4. That is my impression.

Q. Did you regard the payment for this stock of the Union Pacific Railroad Company by a check by the Credit Mobilier on these trustees, which was applied on the construction contract, as of any real importance? Did you not understand that the substance of that transaction was that the stock was paid for in road-building?—A. I have said that as many as three times.

Q. I put it as preliminary to something else.—A. I say just this: We were instructed by the most eminent counsel in New York that that was a compliance with the law, and we believed it to be so; and I say further, as I have said before, that a literal compliance with the law would have rendered it impossible to build the road; and we would have no Pacific Railroad to-day if we had been held to the literal terms of the law.

Q. That is just what I want to bring out. You understood that this was really a payment for that stock in road-building; and you further regarded it, did you not, that the amount so paid for the stock in road-building differed from its nominal par value in cash by the difference of the estimation which the contracting parties put upon the value of that stock compared with its actual cash value?—A. I think so, to a very great degree.

Q. Now, I understand you to say, as your justification, or as your explanation of that matter, that that was the common method of building railroads, where the statute contained this provision for payment in cash, the contractor taking part of the stock in payment on his contract?—A. Yes, sir, invariably; so far as I know.

Q. That is one ground of justification; another, as I understand you, is, that if the statute requiring the payment for this stock to be in cash, and leaving open to the public the right to subscribe up to $100,000,000, had been literally complied with, it would have been impossible to build the road?—A. That is what I have stated.

Q. And, further, I understood you to say that you were instructed by eminent counsel, upon whose advice you relied, that the course you took was a compliance with the law?—A. Yes, sir.

Q. Have you ever seen, or do you know whether that opinion of eminent counsel is in existence now, in writing?—A. I do not know. I do not know whether it was given in writing.

Q. Was it given to you by these eminent counsel?—A. Mr. Tilden, I know, told me that he regarded it as a compliance with the law.

Q. Was that advice given to you personally?—A. Not to me, particularly. I was talking to him, and he said, incidentally, that he regarded it in that light.

Q. Do you know whether that opinion was shared in by other counsel?—A. I think Judge Allen told me the same—I know I talked with him about it—and I have heard others express the same opinion.

Q. Can you ascertain whether those opinions were in writing, and, if so, whether they can be produced and laid before the committee?—A. That I do not know. I can only say that I am not connected with the road, and have no interest in it, and I do not know why I should be required to hunt up this evidence.

Q. We do not want you to hunt up this evidence; I merely ask you for a statement of facts.—A. I have given the facts as they occurred, according to my recollection.

Q. The fact that these gentlemen supposed that they were complying with the law, and were so advised by eminent counsel upon whom they

relied, although it would not change the law, would be a very important point in this case, in my mind; and I therefore ask you to state carefully all you know about it, and whether you know if that opinion can be produced?—A. I doubt whether it was ever given in writing. Now, while on this point, I would like to give you an illustration. Under the old State law of Massachusetts, when a bank was chartered, it was always required that the amount of the stock should be paid for in specie, and that no bank had a right to go into operation until all the specie was paid in, and whenever a bank was organized and ready to go into operation, commissioners were appointed to count the gold and silver. I have assisted in the organization of a good many banks under that law, have been a director in several, and was once or twice appointed a commissioner by the governor to make this examination; and it was invariably the case, when the bank was organized, that they would go around to all the neighboring banks, and obtain for an hour or two enough specie to make up the required amount, and lug it into their vaults. It was then really in their possession, and the ownership for the time being was vested in the new bank. The commissioners would then come in, and count it all over, and certify under oath that the required amount of specie was paid in. As soon as they were gone, the specie would be mostly carried back to the other banks, and all the great lawyers held, and the courts, I believe, held, that it was a literal compliance with the letter of the law, or such a compliance as answered the purpose, and all must see the impracticability of the law in going beyond the custom. Now, in building railroads by means of construction companies, there is something done in the same line, only in the bank case it is a literal compliance with the letter of the law, and in the railroad case with its spirit. I only use this as an illustration.

Q. Perhaps your statement is entirely correct, except so far as the last part of it is concerned, that the lawyers and courts held that that was a compliance with the law?—A. Well, I don't know about the courts, but all the banks were organized under the advice of counsel, and you know what lawyers some of the big banks of Boston have.

Q. I do not suppose that any responsible lawyer gave an opinion that that was a compliance with the law?—A. I don't think that there was any bank organized in Massachusetts—and I suppose that you and I consider her people as moral as people anywhere—I don't think there was a bank organized under that State law for fifty years on any other basis or principle than that.

Q. Don't you think that, if the bank had proceeded to divide that cash among its stockholders, the other banks would have scolded a little?—A. I think they would, but if you mean to make any application of that kind to this case, you do an injustice.

Q. No; I am merely looking to see if it is really their property.—A. You don't mean to insinuate that the property that these men divided in what they called dividends did not belong to them?

Q. No, sir; I had no reference to them. I had nothing of that kind in my mind.—A. I don't see, then, that there is any significance in your remark.

Q. I don't think it necessary for you to comment on the significance of my remarks. I was merely carrying out your illustration. Were these transactions of the Credit Mobilier made public?—A. What do you mean by made public?

Q. I mean what you mean by made public.—A. They were well known to everybody so far as I had any knowledge. As I stated before, I was entirely opposed to the whole thing so far as the dividends were con-

cerned. I saw no wrong in it to anybody, unless they wronged themselves.

By Mr. SWANN:

Q. Is it the custom now in the State of Massachusetts—for I consider that State badly dealt with by the opinion you have just given—whenever the Secretary of the Treasury orders an inspection of the national banks, which he does from time to time, for these banks, whenever they are short of the required amount of specie or currency, to go to another bank which may be hard by, and borrow the amount of specie or currency which is necessary to make up their balance-sheet?—A. No, sir; I do not mean to say any such thing, or intimate any such thing.

Q. Would you not consider that a fraud upon the public?—A. Why, certainly I should.

By the CHAIRMAN:

Q. By the assignment of the Oakes Ames contract, it was stipulated that the parties who were to participate in the dividends or avails of that contract should sign an irrevocable proxy, authorizing these trustees to vote six-tenths of the stock they held in the Union Pacific Railroad Company?—A. Yes, sir; until the completion of the contract.

Q. Was this six-tenths more than a majority of the stock of the Union Pacific Railroad Company?—A. I do not know how that was.

Q. Was it intended to be a majority of the entire stock of the Union Pacific Railroad Company?—A. I do not know that it was intended to be. It was regarded as sufficient to control the company, with the additional stock that was owned by themselves individually.

Q. And they were to give an irrevocable proxy to vote not only the stock they owned then, but the stock they acquired by virtue of the Credit Mobilier?—A. The object was to keep control, and I think every consideration of prudence required it, over the road until the contract was finished.

Q. Were these proxies given?—A. Yes, sir; I believe so.

Q. Do you know who held these proxies?—A. I think Mr. Oliver Ames, chairman of the board of trustees, held them.

Q. Do you remember that, at a meeting held in New York on the 22d January, 1868, you offered a resolution that was adopted, authorizing Oliver Ames to vote these proxies?—A. I presume so, if the record says so. I have no recollection of it.

Q. Do you know for what length of time Mr. Ames held these proxies and used them?—A. I do not think they were ever used but once.

Q. Were they not used twice?—A. In 1868 they were used for the first time. I think Mr. Ames testifies they were used in 1867, but he must be mistaken, for at the annual meeting in 1867 they had not been completed; and I do not think they were used in 1869, but they may have been.

Q. But it is a fact that the proxies were given in pursuance of the Ames contract?—A. Yes, sir.

Q. Then the parties who held the Union Pacific stock and the Credit Mobilier stock were the same parties substantially?—A. They were when the Oakes Ames contract was made. They shifted very much afterward. I should say in 1868 they were not.

Q. But that is substantially the fact, is it not?—A. It was before the Oakes Ames contract was signed.

Q. Was it not after the Oakes Ames contract?—A. It was not at the time of the election.

Q. Still, the effect of the execution of these proxies was to place in

control of the Union Pacific Railroad entirely into the hands of these seven trustees to whom the Oakes Ames contract was assigned?—A. That was the object of it.

Q. Well, that was the effect of it, was it not?—A. It must have been if they held a majority of the stock.

Q. So, if it turned out to be a fact that they held a majority of the stock, then, by virtue of this irrevocable proxy, the entire management and control of the Union Pacific Railroad was taken away from that corporation and put into the hands of these seven trustees?—A. No, sir; not all.

Q. Well, they held the voting power?—A. They held the voting power provided they held a majority of the stock.

Q. My question is predicated upon the supposition that they did have a majority of the stock.—A. The record will show how that is.

Q. Did not the Hoxie contract extend from Omaha to the hundredth meridian, and was not two hundred and forty-seven miles of the road built under that contract?—A. Yes, sir.

Q. And after that contract had been completed and the road built up to the hundredth meridian, there was a proposition to extend the contract over fifty-eight miles more of the road?—A. I do not know that the proposition was made. I know that it was expected they should have the contract for extending the road.

Q. But there was a proposition to extend the contract over that fifty-eight miles of the road?—A. I have an impression that there was; I am not positive.

Q. At the time this effort was made to extend the contract over this fifty-eight miles of road, had not that fifty-eight miles been already constructed and accepted by the Government?—A. That I do not know. It was built really by the Credit Mobilier, and with their funds.

Q. I am not talking about who built it; had it not already been accepted by the Government?—A. That I cannot say.

Q. Do you remember Dr. Durant filing a protest against the extension of the Hoxie contract over this fifty-eight miles of road?—A. I do not.

Q. Were you not connected with the road at that time?—A. I do not remember; I do not know what the date was.

Q. Do you know what that fifty-eight miles of road had cost?—A. I do not know.

Q. When the Oakes Ames contract was made, had there not been one hundred and thirty-eight miles of road constructed and accepted by the Government west of the hundredth meridian?—A. I do not know. I should say very nearly that.

Q. Had there not been a very considerable amount of track laid that had not been accepted by the Government—between eighty and one hundred miles?—A. That I cannot say anything about.

Q. My object in putting these questions is to give you an opportunity to explain to the committee why it was that the company gave a contract for the construction of one hundred and thirty-eight miles of road that had already been constructed and accepted by the Government?—A. I do not know that I can tell exactly, but my recollection of that is, that it was expected, as I have said before, that the Credit Mobilier would go on and complete the road, and it had purchased a large amount of materials, and paid for them, and the capital of the Credit Mobilier had been almost entirely absorbed by the Union Pacific Railroad Company in the building of the road, &c. There was quite a contention about the settlement of this claim, the Credit Mobilier contending that they

ought to have whatever profit was made on so much of the road as had been built up to that time, inasmuch as it had really been built by them, they having furnished the material, money, credit, &c. There was quite a dispute about it, and I think it was compromised by giving them the profit on fifty-eight miles, and the Oakes Ames contract included the other portion of it for the benefit of the trustees or the parties in interest. Then there was some grading to be done, and the road was to be equipped; for, although accepted by the Government, there was a great deal to be done to put it in a condition to satisfy the Government directors. I remember talking with Mr. Williams about it at the time, and he agreed that there was a great deal to be done. These two reasons are the only ones I know of why that portion of the road was included in the contract.

Q. Do you mean to say that that contract was extended over the one hundred and thirty-eight miles of road in order to give the Credit Mobilier a profit upon the construction of that portion of the road?—A. I was an officer of the Credit Mobilier at that time, and not an officer of the Union Pacific Railroad Company, and I contended very earnestly for much more than we got. I remember that I thought, and so did Mr. Hazard, and, I believe, Mr. Dillon, that we should have had more than was allowed.

Q. More than the $42,000 per mile?—A. No; more than the fifty-eight miles that we had really practically built; and that we were entitled to the profits, whatever they were.

Q. How did you get at the profits; you had no contract, and the road had been built?—A. I suppose the road, equipped and all, did not cost more than $33,000 or $34,000 a mile on that part of it, and they were to have $42,000 a mile. There would be a profit of $8,000 or $9,000 a mile, which we thought we were entitled to.

Q. But this Oakes Ames contract had not been made then?—A. I know; but we had gone on and built the road and furnished money and labor. For instance, I had no connection with the Union Pacific Railroad Company at all; was not a director in it, but I was a director in the Credit Mobilier, and during that time I raised for the Union Pacific Railroad Company millions of dollars; and I felt, and we all felt, that the Credit Mobilier was entitled to some consideration, and entitled to some profit on the building of the road, which we had really, in point of fact, built, although we had no contract.

Q. Is "profit" the word to use, then; could you have a profit when there was no agreement for the construction of the road, but you had gone on and built it without a contract?—A. The understanding was, that we should have a contract, and, in fact, I believe a contract was made with Mr. J. M. S. Williams, with the expectation that it would be transferred to us as the Hoxie contract was, and we went on and built the road with our money and our efforts. I know that I was there all summer. I had no connection with the Union Pacific Railroad Company, but I was in the Credit Mobilier, and it was my duty to look after their interests, and when we had raised millions of money for the Union Pacific Railroad Company, we felt that we were entitled to whatever profit there might be on this road that was built with our money.

Q. Does it not all amount to this, that, when the road had been built, you then fixed the contract-price with reference to getting a profit on that part of the road?—A. I suppose the contract-price was $42,000 a mile.

Q. But when you built the road, there was no contract-price?—A. No, sir; only in anticipation.

Q. You had built the road for whatever it had cost, and when you made the contract after it was built, didn't you make it with a view of fixing the amount of profit which the Credit Mobilier should have?—A. I don't think so at all; I think it is just this way: we had built the road practically; the Credit Mobilier had furnished the money to build the whole two hundred and forty-seven miles, as we conceived, or, at any rate, for a large portion of it, and we felt that we were properly entitled to whatever profit there was on building that road. If the contract-price was $42,000 a mile, and we failed to get the contract, and some one else got it, we thought we ought to have the difference between that cost and the contract-price. The Union Pacific Railroad Company didn't agree with us, but finally compromised the matter, and allowed us a profit on fifty-eight miles, which was not really as much as we in the Credit Mobilier thought we ought to have had.

Q. Let me put the question in this form: When did you find out how much profit had been made on this road west of the hundredth meridian?—A. I do not know particularly about that, but that was easily done. The equipment and all did not cost over $35,000, and the amount paid was $42,000, and, as we furnished the money and did the work, we felt we were entitled to the profit.

Q. When did you find out the contract-price was $42,000?—A. I suppose that was done by agreement after it was agreed to compromise the matter.

Q. Was it not when the Oakes Ames contract was made?—A. No, sir; it was some time afterward.

Q. After the Oakes Ames contract was made?—A. I think so; these trustees relinquished, after quite a controversy, to the Credit Mobilier, the profits on fifty-eight miles of the road. Under the circumstances, they felt it was no more than right.

Q. In other words, if I understand you, the Credit Mobilier were claiming an interest in the Oakes Ames contract; and claimed that part of the profits under that contract should be transferred to them because they had furnished the money?—A. They claimed it as a matter of right. It was not in that form at all; I am telling you exactly how it was; the Credit Mobilier furnished the money for building the road. Afterward Dr. Durant said we should not have a contract to build another inch of the road, but still we went on and built the road, with the expectation that the doctor would finally yield and concede it to us, but he did not do so; and as the Union Pacific Railroad Company had spent our money, and we had gone on and built the two hundred and forty-seven miles of road with that expectation and belief, we felt that we were entitled to consideration. We demanded it; it was resisted; and finally the matter was compromised by allowing us the profits on fifty-eight miles of the road, and the trustees agreed to relinquish the profits under the Oakes Ames contract on so much of the road.

Q. Did you estimate the profits according to the stipulations of the Oakes Ames contract?—A. That I do not know; I do not know how it was estimated.

Q. You had to get at what the profits were in some way?—A. Yes, sir.

Q. There was no other contract at the time the Oakes Ames contract was made?—A. I presume it was on that basis. I cannot see how it could be in any other way. They made this contract with J. M. S. Williams; that was knocked over, and we were building the road in the expectation that they were going to give us a contract.

Q. Then there was some more of the road that had already been built,

and accepted by the Government—the difference between this fi
eight miles and one hundred and thirty miles; what reason w
there for embracing that eighty-eight miles in the Oakes Ames c
tract?—A. As I understand it, they wanted to cover the whole amou
it was very much mixed up. That part of the road was much easie
build, and although it had been accepted by the Government, it was
completed; it had to be equipped. The profit on all would not be v
much, and they felt that it ought to be put in, as the other end of t
road was so much more expensive than this—more hazardous and risk
and it seemed to them no more than fair and right to include that. N
body was wronged; it was all with themselves. They were all sto
holders in the Union Pacific Railroad Company, and these stockhold
and nobody else got the profits.

Q. According to your idea, if they had let it for $100,000 a mile,
body would have been wronged?—A. Nobody would have been wron
except in case the security of the Government had not been good; th
the Government might have justly complained, although I do not
how they could under the circumstances, because they had the first
after the first-mortgage bonds, and if it had cost $500,000 a mile, I d
see how the Government could be wronged.

Q. And if they let it for $42,000 a mile, when it ought not to
$35,000 a mile, you don't see how anybody was wronged?—A. I d
see how they were. It was built in the interests of the stockholde
the Union Pacific Railroad Company, and the profits were divided
pro-rata proportion among those stockholders, and if anybody
wronged, I don't see it.

Q. The first dividend made by this board of trustees was made on
12th of December, 1867, was it not?—A. I think it was; that is
recollection.

Q. From what source did the trustees derive the assets from wh
they declared that dividend?—A. I believe that was estimated pro
on the road which had been constructed.

Q. Up to the time when the Oakes Ames contract was made?—
don't know that it was up to that time.

Q. Whatever was divided then, was the estimated profits on that
struction?—A. Of course it must have been; I don't see any other so
it could have been obtained from.

By Mr. SHELLABARGER:

Q. The amount of that dividend appears to be 60 per cent. of bond
the Union Pacific Railroad Company, and 60 per cent. of stock of t
company; is that right according to your recollection?—A. If the re
says so, it must be right; I have no recollection about it.

Q. What class of bonds was it that were divided?—A. First-mortg
bonds.

Q. Then a dividend was ordered on the 3d January, 1868, of 20
cent. in first-mortgage bonds; what did that arise out of?—A. Ou
estimated profits on the Oakes Ames contract.

Q. July 8, 1868, cash dividend of 30 per cent.; did that arise ou
the same thing?—A. Yes, sir.

Q. July 3, 1868, allotment of bonds, 75 per cent.; that arose ou
the same contract?—A. That was in anticipation of profits, and t
issued certificates for bonds.

Q. There was another allotment December 18, 1868, 100 per ce
that arose out of the same contract?—A. Yes, sir; that was in stoc

Q. The whole amount of dividends declared during these periods

up; according to the paper handed me by the clerk, $19,842,724; does that sum represent profits on the Oakes Ames contract?—A. I think this was the actual state of the case; they represent in stock and bonds the nominal profits upon that Oakes Ames contract of forty-seven million dollars, and it was distributed with the understanding, and, I believe, written condition, that if the money was required to complete the road, that they would pay back the amount.

Q. Pay back how much?—A. They would pay back whatever they received, or they would furnish a sufficient amount of money to finish up the road; and my impression is that they made dividends upon estimated profits which were never realized to the extent that they supposed, and all those parties who were able had to put their hands in their pockets and furnish millions of dollars before they got through, in consequence of having divided these sums among the subscribers; I was entirely opposed to the whole thing; I told them what would be the result in the end, and they found it was so. They were very sorry, the responsible men of the contract, that they made this dividend of supposed profits when really they were not profits.

Q. Then these divisions resulted in such an impoverishment of the road that persons interested in the road had to return millions in order to finish it up?—A. I did not mean return; they loaned several millions, and it has been a source of misapprehension from that day to this, as I predicted it would be at the time.

Q. These loans from the friends of the road to complete it, and which were made necessary by these dividends which you deem improper, were they——

The WITNESS, (interrupting.) I beg your pardon; I did not say improper; impolitic they were; there was no impropriety in it, because nobody was wronged, unless it was themselves.

Mr. BELLABARGER, (continuing.) Were they secured to the persons making the loan; and, if so, how?—A. They were secured partly, and partly not; and then they had to——

Q. Now, just stop. How were they secured, in so far as they were secured?—A. Well, I think the money was mostly raised by the purchase of securities.

Q. What securities?—A. Land-grant bonds; income-bonds.

Q. Then this loaning back to complete the road that was necessary by these prior dividends was accomplished by gentlemen getting land-grant bonds, selling them, and using the proceeds to finish the road?—A. To finish the road and pay their debts.

Q. Now, what was the effect of these dividends which have been enumerated upon the value and solvency of the Union Pacific Railroad Company and its stock?—A. It had no effect whatever upon the value of the road and its stock that I am aware of, except in this way: Of course it increased the indebtedness of the road, and I think its solvency would have been hazarded at that time if it hadn't been for the pecuniary assistance rendered by its directors and stockholders, and friends immediately interested in the road; and the premature division of these profits occasioned a temporary embarrassment which they had to lift the road out of, and for which they alone suffered; nobody else was wronged in any way, shape, or manner, by that act of theirs, which I regarded then, and do now, only as an error of judgment.

Q. Suppose that, instead of making these divisions of bonds, stock, and cash, these assets that were donated by the Government to secure a great solvent corporation for all time, had been invested properly and preserved as the property of the railroad company, what, in your judg-

ment, would have been the effect of such investment and preservation of the assets upon the value of the stock?—A. Its stock would have been enhanced in value; but it was a matter in which the Government had no interest, and could not suffer.

Q. You are now giving an opinion of law that we are not inviting. That is a question that we will have to deal with as a purely legal question. I am now asking simply for the facts. You say that the effect of investing these assets would have been to enhance the value of the stock?—A. Yes, sir.

Q. In former answers you have referred to the manner in which railroads are usually constructed; do you know of any practice by which dividends to stockholders are made in amounts greatly in excess of the net earnings of the road?—A. I should say that, so far as dividends upon stock was concerned, there could not have been any made properly except out of the earnings of the road. But this, you understand, is a supposed profit upon the construction of the road, which was perfectly legitimate, in my judgment, and proper to divide.

Q. Did any of the counsel to which you have referred in your former answer, ever advise you that such dividends as have been made in this case would be a compliance with the charter of the Union Pacific Railroad Company?—A. I think that the contract was made, and the dividends declared, and everything that was done was done under the advice of good counsel.

Q. Did ever any of these counsel advise you that the payment by work under contracts, where the prices of the contract were greatly augmented by reason of such dividends as these, would be an equivalent in law to the payment for this stock in cash?—A. I do not know that they ever did in those words, but in effect they did.

Q. Well, I will ask my question in another shape. Did you ever consult with and obtain opinions from lawyers that, if dividends were made so as to reduce the value of stock to 30 per cent. or thereabouts, and then the price of the contracts for work was put up in proportion as the stock had been thus reduced in value, and you took your pay for stock in work thus augmented, that would be a compliance with the requirements of the statute?—A. I do not think it was ever put to them in that form. If it had been, I don't know what their answer would be.

By Mr. HOAR:

Q. Do you know what was the cost to Oakes Ames or to those to whom he assigned the contract for building the road, including the part that had already been built?—A. I cannot tell exactly, because I have been out of the road a great while, and I have nothing to go by. The assignees can tell you exactly. I suppose that in clean cash it was about thirty millions; that is my opinion.

Q. How much did they obtain from the Government in bonds on that distance?—A. I think an average of about $25,000 a mile.

Q. And they got the same amount on their first-mortgage bonds?—A. Yes, sir.

Q. That would make about $33,350,000 from these two sources, without resorting to any issue of stock, deducting whatever difference there was between the par value of the bonds and what they would sell for in the market?—A. Yes, sir.

Q. Do you agree with the other witnesses that the average discount on the Government bonds and the first-mortgage bonds was about 10 per cent.?—A. I think so, on the whole.

Q. Then, deducting 10 per cent. from their value, would leave

$30,015,000 as the net amount that would be realized from those bonds?—A. Yes, sir. Then you will have to add to the cost quite a large sum for interest during the time the road was being constructed.

Q. Interest on what?—A. Interest on the cost. The company, you know, were paying large sums for interest on the money used for building the road.

Q. Well, that has nothing to do with what I am trying to get at. Now, if you had a piece of road to build which would cost $30,000,000, and had resources at your disposal in bonds to the amount of $30,015,000, why would it be necessary for you to resort to this roundabout way of a corporation to build the road, and to issue stock giving the contractors a profit of $12,000,000?—A. I never thought it was necessary. I was always opposed to it. I never thought it wise or proper.

Q. You never thought it was necessary, with those resources, to resort to that contrivance?—A. Not that particular contrivance.

Q. Now, as I understand it, the problem was before the company of building this six hundred and sixty-seven miles of road, which would cost $30,000,000. They had resources on hand in Government bonds and first-mortgage bonds to the amount of $30,015,000. What was to hinder them from going on and building the road with those resources, without resorting to this complicated machinery of the Credit Mobilier, with its trustees, railway bureau, &c., and without making these dividends of stock in the way you have described?—A. I was entirely opposed to the Oakes Ames contract, and to the building of the road in that way and with that machinery. I did not think, however, that it would be possible to build the road without the intervention of a contracting company, or a company possessed of corporate powers like the Credit Mobilier, and for this reason: Although the company had in prospect these resources of $30,000,000, yet it was necessary to expend vast sums of money, and to use individual credit in order to build the road before any considerable amount of those resources could be realized. The Government itself was very slow, very dilatory indeed, in the issuing of the bonds, and sometimes the company would have millions of dollars due them before they could get a single bond out of the Government. All of you gentlemen who have had any experience with the Government know how slow they are.

Q. What was the average length of time, in your judgment, which intervened between the time of the expenditure of money in the construction of the road and the realizing of cash from the Government bonds?—A. I could not say exactly, but I should say several months.

Q. How many months?—A. I do not know.

Q. Would you think six months?—A. No; I should say, certainly, three or four months.

Q. Then, was not this $12,000,000 of profits, or whatever you may term it, simply expenditure by the company to obtain credit for three or four months on the amount which they would realize from the Government bonds and their first-mortgage bonds?—A. No; let me explain: The company was deeply involved in debt at that time. It had absorbed nearly all the capital of the Credit Mobilier, amounting to several millions dollars, which it owed to them and was unable to pay. It was in such a condition—its credit was such—that it could not raise the means to build the road on the anticipation of these resources, which it ultimately obtained, because the capitalists of the country had very little confidence in those securities, or in the road itself. Pledges were made to vast amounts by the company at 40 or 50 cents on the dollar, and, I

believe, in some instances, as low as thirty-five cents; and it required not only all the resources of the company, but what they could command of the individual resources of the directors and large stockholders, and their individual credit was used to a vast amount. But for those things the road at that time would have gone into bankruptcy; and under those circumstances these men took that contract and put it through, and were induced to do so partly to save the money which they had in already to the amount of several million dollars, and partly in the hope and in the anticipation of making a reasonable profit in the future. Now, with regard to the contract with Oakes Ames, I tried to induce him not to accept it; but he did accept it, and his view of it then was this: That we could command those resources and sell those bonds at such a price, and the stock at such a price as would give him and those of us who should go in with him a clean profit of at least 20 per cent.; and, I think, at one time he thought it would realize 25 per cent. The ultimate result, as I figured it out and made oath to in a court in Pennsylvania, was that between eight and nine million dollars of profit were realized, which would be about 16 or 17 per cent. upon the whole contract, which was performed by those men at a prodigious cost of labor, and an immense amount of capital raised and furnished by them; and, I think, the profit realized was very moderate for the risk taken, and the amount of labor and capital expended, and the length of time employed in the use of that capital.

Q. I understand you, that when the contract with Oakes Ames was made, there was no agreement that anybody else should share in the contract with him?—A. No, sir.

Q. Then, of course, there was no agreement at that time that the road should have the benefit of anybody's private credit to extricate it from the financial difficulties it had previously incurred?—A. No, sir; but I suppose that was expected to be done. Mr. Ames, of course, didn't expect to take a contract for $47,000,000, and put it through himself. He expected to have in some shape or in some form the assistance of the capitalists of the country, and generally it was his idea to have the assistance of those who had been his former associates, who would share in the benefits of the contract and also incur the risk of losses. I think that was his idea. The company expected, I have no doubt, that he would associate with himself some other parties, and that they would be able through their means and their credit to put the road through.

Q. You say the road, at that time, was indebted to the Credit Mobilier?—A. Yes, sir; and has remained so ever since, and it has not yet seen the time that it could comfortably pay that indebtedness.

Q. Do you mean to say that the road was bankrupt?—A. No, sir. I mean to say that it was like many other roads that have difficulties and lean very largely upon the principal stockholders and directors, who have to use their private means and private credit to sustain them. And the knowledge of that fact and the belief that that will continue makes the stock and securities of the Union Pacific Railroad as valuable as they are to-day. But for the belief and knowledge of that fact these securities would not be worth one-half what they are to-day.

Q. What securities do you speak of?—A. I mean the stocks and bonds of the road.

Q. What are the bonds worth to-day?—A. Well, since this investigation began, they have depreciated considerably.

Q. What were they worth about December 1?—A. I think the first mortgage bonds were worth about 90 and the land-grant bonds about

Q. How much was the stock worth?—A. The stock was worth about [illegible].

Q. Then you think that the road, under its present management, is in such a condition that the mere effect of having the facts about its existence known to the country, and the withdrawal of the private credit of individuals, who are under no obligation to add their private credit to that of the road, would be to reduce its stock to 19, and its first-mortgage bonds to 45?—A. Undoubtedly it would, and I say that without any disparagement to the road. It would apply to a great many very excellent roads to-day.

Q. Who are these persons whom you have in your mind as the present supporters of the credit of the road?—A. Its president, Horace F. Clark; its vice-president, John Duff; Mr. Oakes Ames, Mr. Oliver Ames, Mr. Elisha Atkins, and quite a large number of gentlemen of very large means; I don't remember their names now.

Q. I would like to have the names of those you do remember.—A. Sidney Dillon has helped them largely; Mr. Schell, of New York, is a director, and, I believe, he aids largely; Mr. Morton, of Morton, Bliss & Co., of New York; Pullman, of the Pullman Car Company; Mr. Baxter, of Boston; Mr. Robbins. I should think there were twenty gentlemen of very large means who stand ready to help them at any time to the amount of millions of dollars when they need it.

Q. And you think it is upon the aid of the personal resources of twenty gentlemen, of whom you have named about a dozen, that the road depends to save it from bankruptcy?—A. O, no, I should not say that; but I should say that the road stands much better in public estimation from the knowledge of the fact that twenty gentlemen of immense means stand ready to put it through any temporary embarrassment that it may meet, and it is not only true of that road, but, I suppose, of all roads who have their friends to stand by them; and new roads, that depend solely upon their earnings, must necessarily need a great deal of help, which they receive through the friends of the enterprise. It is nothing very unusual or uncommon. This road is a very large concern, and it requires strong men to put it through. I think the road is in a better condition now than it ever has been, pecuniarily; and with these strong men to back it, and with the great prospects it has, I have no doubt of its entire solvency, of its going through, and being very valuable property to its stockholders, and also of its perfect ability to pay the Government all it owes it when it becomes due.

Q. You think there is no danger of its falling into the hands of its first-mortgage bondholders?—A. Not the slightest.

Q. So far as you are aware, by what class of persons are those first-mortgage bonds held?—A. They are held by persons all over the country, and quite a considerable number in Europe.

Q. Do you think the first-mortgage bondholders are, to any considerable extent, persons who own the stock?—A. I do not think they are scarcely at all. The stockholders did own at one time a majority of the bonds, which they were obliged to carry, because they were not well known to the people, but, when their market price got to be what was thought to be their intrinsic worth, they disposed of them; and now my impression is that very few of the bonds are held by owners of the stock.

Q. Are they six per cent. gold, or currency?—A. Six per cent. gold.

By Mr. SHELLABARGER:

Q. Suppose the Union Pacific Railroad Company was now required

to pay the five per cent. mentioned in the original act of incorporation, and was also required to refund the interest paid by the United States on the Government bonds issued to them, and also the interest that hereafter accrues, could it pay those amounts and remain solvent without the aid of outside persons?—A. No, sir; it could not pay that without the aid of these individuals of whom I have spoken. I should judge, from its large increase of business, that in a short time—in the course of three or four years—it would be able easily to do that, but I do not think at present it could, with any degree of comfort or convenience.

Q. Do you think it would go into bankruptcy if it was required to pay these amounts, unless it was helped by outside persons?—A. It could not pay those amounts now; I think it very likely that the enforcement of that claim, if the Government has such a claim, would seriously embarrass the road; I have no doubt about it.

By Mr. SWANN:

Q. Drive it into bankruptcy?—A. It might do so; I don't know whether it would do so; it would be certainly very impolitic for the Government, if its claim was clear, to enforce the payment of it now.

By Mr. HOAR:

Q. As a general rule, are the gentlemen on whose aid and good will the road has depended to keep itself along, to buttress its credit, and on whom it is now depending, so far as you have stated, the same gentlemen who received the dividends of the Credit Mobilier, or its trustees?—A. That applies to the most of them, and a good many of their friends. What was called the "other party," I think, have got out of it.

Q. Would it apply to Mr. Dillon?—A. Yes, sir; and to Mr. Atkins, Mr. Dexter, Mr. Robbins, and Mr. Duff. It would not apply to Mr. Clark, Mr. Schell, Mr. Morton, or Mr. Pullman.

By the CHAIRMAN:

Q. You were speaking a moment ago of the vast sums of money that were owing by the Union Pacific Railroad Company to the Credit Mobilier.—A. At the time of the Oakes Ames contract.

Q. You had reference to the time of the Oakes Ames contract?—A. I said that the capital of the Credit Mobilier had been absorbed pretty much at that time by the Union Pacific Railroad Company, and the company had never seen the time yet when they could comfortably pay it back, and they still owe the Credit Mobilier a very large sum, although not near so large now as then.

Q. You said, if I understood you correctly, that at the time this Oakes Ames contract was entered into the Union Pacific Railroad Company was owing the Credit Mobilier a very large sum of money—I believe you used the phrase "vast sums of money." On what account did the Union Pacific Railroad Company owe the Credit Mobilier this vast sum of money?—A. It owed them that for the construction of the road.

Q. Under the Hoxie contract?—A. Under the Hoxie contract, and I believe also they made large purchases of iron and materials under what I was going to call a renewed contract, but it was not renewed, but under the anticipation of having that contract.

Q. And this vast indebtedness accrued in that way, did it?—A. Yes, sir.

Q. When this vast indebtedness was accruing was the Union Pacific Railroad Company, or the Credit Mobilier, getting the advantage of

those Government bonds and the first-mortgage bonds of the company?—A. The Union Pacific Railroad were getting the advantage of the Government bonds as I have told you, when they were received, but there was very great delay. The Credit Mobilier never had any advantage of those bonds.

Q. You say there was great delay in getting those Government bonds; you are not in error about that?—A. I think not.

Q. Let me call your attention to a few dates from the records of the Treasury Department. On May 1, 1866, twenty-five miles of road seem to have been accepted, and on the 7th of May, 1866, only six days afterward, there were $400,000 worth of bonds issued from the Treasury Department; there was not much delay there between the acceptance of the road and the issuing of the bonds?—A. There was not very great delay after the acceptance of the road and after it was all completed, unless it was on the latter portion of the contract.

Q. But I am talking of the time when the Oakes Ames contract was made. You say this vast indebtedness accrued, and it grew out of the delay on the part of the Government in accepting the road and issuing the bonds?—A. I said it grew out of that in part.

Q. I call your attention to the fact that on the 1st of May, 1866, twenty-five miles of road were accepted, and on the 7th of May, $400,000 worth of bonds were issued; and on the 25th of June, 1866, forty miles of road were accepted, and on the 26th of June, one day after that, $640,000 worth of Government bonds were issued to the company; you would not regard that as an inordinate delay?—A. No, sir; I was not complaining of the Government.

Q. But you say there were vast sums due from the Government?—A. I did not say after the acceptance of the road. The delay was not very great after the acceptance of the road by the Government.

Q. But I am calling your attention to this point, as to whether there was any delay in the acceptance of the road. It seems by the record that on the 12th of July twenty miles more were accepted; you would not regard that as a great delay?—A. I was not speaking of the delay complainingly on the whole, but I spoke of the actual fact that it was quite a lapse of time between the building of the road, the furnishing of materials, &c., and the time of the payment of money.

Q. But you spoke of it, as I understood you, in answer to Mr. Hoar, in the way of an explanation of the fact that large sums of money had to be raised, and that these Government aids, in the way of bonds, &c., were not available to the company. Now, I would like for you to look over this list of the dates of the acceptance of the road and the date of issuing the bonds and see whether there was any delay.—A. I have no doubt that list is correct, but it has no reference to my explanation at all. My view of the case was this, and perhaps I didn't make myself understood. I did not mean to ascribe it all, only in part, to the delay of the Government. I think I may say with propriety that if it had been an individual matter we would have got that money much sooner than we got it from the Government. I did not think there was very great delay after the road was accepted, but there was an immense expenditure of money, and it required a vast amount of individual credit to build the road before we could get any bonds from the Government.

Q. But the Government accepted the road about as rapidly as you built it?—A. No, sir. I don't say but that the Government accepted very nearly as rapidly as they ought to have accepted it—a portion of it they did and a portion of it they did not.

Q. Do you know what weight per yard of iron was laid on this

road?—A. Fifty-six pounds, I think. It was the weight the Government required.

Q. Was the iron that was put down actually fifty-six, or was it only forty-eight?—A. I think every rail of it was fifty-six pounds to the yard. I have no idea that there was any rail put down for less than fifty-six.

Q. What consideration was paid to Mr. Hoxie for the assignment of his contract, according to the best of your information on the subject?—A. My impression is that he was paid nothing at the time.

Q. What was he paid afterwards?—A. He came in with a claim several years afterwards. I think it was for the transfer of the contract, and he wanted some thousands of dollars.

Q. How many thousand dollars?—A. My impression is that he claimed $10,000 and we gave him $5,000. I think the transfer of the contract entered into a part of the consideration.

Q. Was there not a very large sum paid to him—much more than $10,000?—A. Well, perhaps there was; I do not call it to mind. I suppose the books will show.

Q. What consideration was paid Mr. Davis for the transfer of his contract?—A. I do not know that anything was. As I understand it Mr. Davis was unable to complete his contract.

Q. Did you hear from the parties interested about anything being paid?—A. I know there was some trouble; that there were some lawsuits, but how they settled them up I cannot say.

Q. Mr. Davis did bring suit somewhere in regard to this matter?—A. Yes, sir.

Q. In what court did he bring that suit?—A. I think he brought two or three suits in New York, and also in Ohio, but I may be mistaken about that. I had very little to do with that, and know nothing about it. I had no interest in it, and really have no positive knowledge about it.

By Mr. SWANN:

Q. Do I understand you to say that you consider the road as in a rather delicate position financially, and without the aid of these outside influences of which you spoke you do not know what might be the result; it might be temporarily embarrassed or it might go down?—A. I think that but for those gentlemen whom I have mentioned, together with many other, numbering perhaps twenty, who are largely interested in and strong friends of the road—but for the aid which they rendered with their own means, it would be embarrassed.

Q. But suppose any accident should happen; suppose complications spring up, which may be the result of this investigation—you say the securities, have fallen already—may not these gentlemen take alarm and withdraw their stock?—A. You know as much about that as I do.

Q. What I mean to ask is, can you rely upon this outside influence to meet these floating obligations, amounting to millions of dollars, and to operate the road successfully as it has been operated heretofore?—A. I think so.

Q. You think that there would be no withdrawal of the influence that these gentlemen exert in the road?—A. It is greatly for their interest to take care of the road and carry it along.

Q. But I understand you to say that without these influences this road might go down?—A. No more than I can say of any other road.

Q. But I ask you in reference to this road?—A. I don't know that I can state it more particularly than I have. I suppose their floating in-

ebtedness is about three or four millions and their earnings eight or ine million dollars per annum, and you know very well, experienced as u are in railroading, what all that means.

Q. Suppose the revenues of the road should fall off and become eatly reduced; suppose its securities should fall materially in the arket, do you think the road could sustain itself without the outside fluences of which you speak?—A. Why, of course not; everybody nows it could not, and no other road could.

Suppose that the management was transferred to other hands, hat do you suppose would be the result?—A. If it got into the hands f Jay Gould and Jim Fisk——

Q. I do not mean persons of that description; I mean reliable gentlemen who have capital and credit.—A. Well, I could not say.

Q. Now, sir, what amount of capital would you say the gentlemen of hom you speak could bring to the support of the road?—A. They ould bring, I should say, twenty or thirty million dollars. Perhaps hese gentlemen are worth thirty, forty, or fifty million dollars, combined, nd it would only be a question, not of ability but of willingness on their art, and I cannot conceive of any state of things which would probably rise where it would not be for their interest to sustain the road, as they id when the stock went down to 9 and the bonds went down proportionately; but they and others in the road at the time furnished the oney and put the road through, and if it hadn't been for them the oad would have broken down then.

Q. What amount of interest do these gentlemen represent in the oad?—A. I should say one-half the whole stock, besides the bonds.

The witness desired to make the following statement as a part of his estimony:

I ought to say here, with regard to this matter you have just alluded o, that I have no interest in the road scarcely, and it has been a long ime since I have had anything to do with it. I do not know exactly s situation, but I think it is in a much sounder condition pecuniarily han it ever has been. Its earnings are very much larger, and I do not hink that there is anything likely to occur to put it in peril, and I hould hate to have any impression go out from here that I have any oubt of the solvency or the future prosperity of the road, for I have none, one whatever; and I regard the present depreciation of the stocks and ecurities of the road occasioned by this investigation as being merely emporary, and which cannot occasion any serious embarrassment to it.

With regard to the newspapers, I have said that Dr. Durant alleged hat some of this money was spent, or rather that some of the newspaper people got some of this money. My impression is indistinct about t; it is a good many years ago, and I do not remember distinctly what e did say upon that point; and I think the feeling among us all was hat the money was not expended as he alleged it was. I did not get ny impression, however, from him that he spent this money among ewspaper reporters, but I think he referred to the press generally, as very large amount was spent in advertising and popularizing the loan, nd he might have said that a considerable amount was spent among he press in that way.

Q. State how much was spent in that way.—A. From the commencement up to the present time several hundred thousand dollars in advertising and popularizing the loan—a very legitimate and proper expendi-

By Mr. HOAR:

Q. Are you a stockholder now in the Union Pacific Railroad?—A. Only for a very small amount.

Q. How much stock have you held at any one time?—A. I think I have held 4,000 shares; never more than that. I never was largely interested in it or in the Credit Mobilier, so far as stock was concerned; I have taken great interest in them and have loaned money to them.

Q. At what rate did you sell your shares?—A. I have sold them from 13 to 46.

Q. When you sold last at what rate did you sell for?—A. I think the last I sold was 38.

Q. How long ago was that?—A. I should think a year ago.

Q. Did you sell a large amount of stock at that time?—A. No, sir, not a large amount. I do not remember how much. I felt that the Government was interfering so frequently with the road that it was not the kind of stock I wanted to own. I hated to own stock or securities that any person could get up in the House and offer a resolution and knock down the price 3 or 4 per cent. That is not pleasant. I believe in the road, I believe in its capacity, and I believe in its future prosperity, and if the Government shall ask nothing of it but what is fair and right, I believe it will be a very good investment for those who have money in it.

WASHINGTON, D. C., *January* 27, 1873.

OAKES AMES recalled and examined.

By Mr. SWANN:

Question. I desire to ask you a single question in regard to the money expended by Mr. Durant?—Answer. Do you mean that expense account?

Q. Yes. Did you say or not that a considerable amount of that money was expended at Willard's Hotel in this city?—A. I think the hotel items are about the only items I can remember in the bill. I think Willard's Hotel bill was $18,000; that is my impression.

Q. Do you know how it was expended?—A. O, no, sir, I don't know anything about that. This happened long before I had anything to do with the road.

WASHINGTON, D. C., *January* 28, 1873.

BENJAMIN W. SPENCE sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Boston.

Q. How long have you lived there?—A. I have always lived there except for two or three years during the war.

Q. What is your occupation?—A. I am an accountant.

Q. What experience have you had as an accountant?—A. Ever since I was fifteen years old; I have had twenty years' experience, at least.

Q. Have you been at any time connected with the Union Pacific Railroad?—A. Yes. I was employed by the Union Pacific Railroad Company in June, 1869.

Q. How long did your employment continue?—A. Until June, 1872.

Q. In what capacity?—A. I was employed as cashier of the company

and I acted as assistant treasurer of the company, also as assistant treasurer of the trustees.

Q. What trustees do you mean—the trustees under the Oakes Ames contract?—A. Yes.

Q. For what length of time did you act in connection with that board of trustees?—A. I should think half the time during the same period.

Q. Do you know anything in relation to the item of $126,000, known as "special legal expenses?"—A. Yes, sir. I know that there is such a charge.

Q. Do you recollect when the payment was made of that sum of money?—A. Yes, sir.

Q. When was it?—A. Ninth March, 1871.

Q. Who made that payment?—A. I did.

Q. Do you know what use was made of that $126,000?—A. No, sir; I do not think that I do.

Q. Did you hear the matter talked of as to what use was made of it?—A. I heard some talk, from which I got an impression, but I do not know that I can state any conversation.

Q. State who it was you heard talking about it as far as you recollect.—A. I heard Mr. Williams and I heard Mr. Bushnell; I think that is all I can say positively that I heard, now.

Q. Give your present recollection as to the substance of what you heard them say in relation to it.—A. That it was used for the purpose of securing a reversal of Secretary Boutwell's action.

Q. Were there other legal expenses paid about that time?—A. I think there were some paid a short time prior to that.

Q. To whom were they paid?—A. I think Judge Curtis was paid a fee, and Mr. Sidney Bartlett and Mr. E. R. Hoar.

Q. Were the amounts paid them embraced in this $126,000?—A. No, sir.

By Mr. HOAR:

Q. The amounts paid these gentlemen just named were for opinions and public arguments, were they not?—A. Yes, sir.

By Mr. SLOCUM:

Q. How was this $126,000 drawn—in one check or in different checks?—A. There were two checks drawn and there were two or three drafts given.

By the CHAIRMAN:

Q. State to the committee how you paid this $126,000—A. I drew two checks, one for $24,500 and one for 19,000.

Q. To whom was the check for $24,500 given?—A. I first gave it to Mr. Rollins, secretary for the company, for I was directed to make it payable to him. The check was made payable to my order at first, as all the checks were signed by Mr. Williams in advance. I was directed to make it payable to E. H. Rollins, secretary of the company. I took it to the directors' room and handed it to Mr. Rollins for his indorsement, and brought it back to my desk.

Q. To whom did you deliver these two checks?—A. I gave the check for $24,500 to Mr. G. M. Dodge.

Q. To whom was the check for $19,000 given?—A. The check for $19,000 I gave to Mr. J. F. Wilson.

Q. Who was Mr. J. F. Wilson?—A. Government director.

Q. And who got the balance?—A. The balance was in three drafts on

Mathew Morgan's Sons, of New York—and these I gave to Mr. C. S. Bushnell.

Q. Can you state the amount of the checks; have you a memorandum to enable you to state the amounts?—A. (Reading from memorandum.) One was for $20,626.45, one was for $43,841.09, one for $18,032.46.

Q. Were any of these amounts you have named subdivided in any way?—A. I do not know that I can state, as a fact, that they were divided.

Q. Have you any memorandum which would indicate anything on that subject; and, if so, what does it indicate?—A. I have a memorandum, but I have not got it here. I have a copy here.

Q. Is it an exact copy?—A. Yes.

Q. Where is the original?—A. In Boston. I do not know that I can say it is an exact copy. I think that in the original memorandum I have a small item which I put in myself for $10 that I paid to one of the clerks, and put in my cash-drawer as a cash memorandum.

Q. Aside from that, is it a correct copy?—A. Yes.

Q. You say you have the original in your custody?—A. I think that I can produce it.

Q. Produce the copy that you have.—A. Here it is. (Witness presents to the committee a small penciled memorandum, of which the following is a copy:)

"$2,372.] MARCH 9, '71.

"Give E. H. R., ch'k for C. S. B., draft on Ma. Morgan's Sons.

"$2,500. Indorsed by E. H. R., to 1st Nat'l B'k Concord, N. H.

"$19,000 gave J. F. Wilson. Collected through Girard Nat. B'k Phila.

"G. M. DODGE.

"$24,500. Gilman Son & Co., col. Nat. B'k State of New York."

On the back of the memorandum are figures and initials as follows:

"$126,000. C. S. B. & others. N. (in red pencil.)

"*Cops.*

	25	
	7	
126		7,000 s
	175	17,500
"Dodge, 24,500		G. M. D.
101,500		
19,000		C. S. B.
82,500"		

Q. Did Mr. Bushnell give any check or draft that day to any person, and, if so, to whom?—A. Yes, sir. Immediately after this transaction he made a draft on New York, and gave it to Mr. Rollins, secretary of the company.

Q. For what amount?—A. $2,500.

Q. On what bank?—A. His draft was on Mathew Morgan's Sons, New York.

Q. Did Mr. Rollins state for what purpose that draft was drawn?—A. He came to me with that draft and requested the company's check

for it, which I gave him. I suggested that it was his share. He replied, No; that he wanted it to pay an amount that he had borrowed from Mr. Ordway, Sergeant-at-Arms, for Mr. Bushnell.

Q. When you suggested to him that it was his share, what was understood between you and him? What did you mean by using that language?—A. That it was his share of the $126,000, as compensation for his extra services during the two or three weeks he was here in Washington.

Q. Had any of the parties connected with the Union Pacific Railroad Company, or with this board of trustees, been in Washington shortly before that time; and if so, who were they?—A. Mr. Rollins, Mr. Bushnell, Mr. Dodge, Mr. J. F. Wilson, and Colonel Scott, although I believe he was not president of the company at that time.

Q. Whom do you mean by Colonel Scott?—A. Thomas A. Scott. He was elected president of the company at that time.

Q. Was this $126,000 put on the books of the company in one amount, or was it in different amounts?—A. It was all down in one amount.

Q. You have said to the committee that you have an original memorandum, of which you have produced a copy. Why did you preserve that memorandum?—A. That is a copy of a memorandum which was handed to me to guide me in drawing my checks.

Q. Who handed you the memorandum?—A. I do not know that I can state positively. I think it was Mr. J. M. S. Williams, the treasurer of the company.

Q. Was he treasurer at that time?—A. Yes, sir.

Q. Now I repeat the question, why did you preserve that memorandum?—A. I do not know that I had any particular motive. Perhaps for two or three days I kept it because I had this $10 memorandum on it; and afterwards it occured to me that as there seemed to be so much mystery about the transaction, and as I could make no entry on my books which could explain it, I had better keep it for a while in case any of the directors might ask me some question about it, so that I would have it to protect myself or the treasurer, in case of any investigation by the directors.

Q. Did you know of the appointment of a commitee to inquire into the item of $126,000 for special legal expenses?—A. No, sir; I do not think there was any committee appointed to investigate. A committee was appointed to fix the amount, but there was no committee appointed afterwards to investigate.

Q. Do you know of the appointment of that committee to fix the amount?—A. Yes.

Q. Do you know of their being together in a room?—A. Yes, I know that they went out of the office.

Q. Were you in the room with them when they had their consultation.—A. No, sir.

Q. I want to know whether the bringing these checks to you or the directing you to make out these checks and the signature of these checks was immediately after the withdrawing of this committee into that room.—A. Yes, sir.

Q. The one transaction followed immediately on the other?—A. Yes; I do not suppose there was half an hour between them.

Q. Did they bring you checks for you to sign, or did they simply direct you to fill the checks which Mr. Williams signed, or what was the way of it?—A. Mr. Williams always kept the check-book signed a number of pages ahead payable to my order, and as this committee had reported that this payment should be made to Mr. Rollins, the secretary of the company, I indorsed these checks to Mr. Rollins.

Q. What checks were they?—A. The checks for $24,500 and $19,000.

Q. What did you do with the rest?—A. I do not think that the drafts went through Mr. Rollins's hands at all. I drew the drafts on New York for enough to make up the balance.

Q. In whose name were those drafts drawn?—A. Mr. Williams, the treasurer, drew the drafts on Matthew Morgan's Sons, in New York, in favor of C. S. Bushnell.

Q. What number of drafts?—A. Three.

Q. Do you recollect the amounts?—A. One was for $20,626.45, one for $43,841.09, and one for $18,032.46. I can explain why these drafts were made for those particular amounts.

Q. Who do you say brought you the memorandum from which you drew these checks, and of which memorandum this is a copy?—A. I would not have drawn the checks unless Mr. Williams had given me instructions.

Q. Do you know whose were the figures?—A. Mr. Williams did not make the figures.

Q. Do you know whose were the figures?—A. I do not believe I can state positively.

By the CHAIRMAN:

Q. Why were those drafts made for those particular amounts?—A. The company had made a sale of a large amount of their bonds, and this was in part payment for some of the land-grant bonds which accompanied those drafts at the time. Each one of those drafts represented so much bonds, with the accrued interest up to the date of the draft. That was for payment of so much bonds, and in the usual course I would have deposited that in the Bank of Commerce to the company's credit; but instead of doing that the bonds went off to New York with the drafts.

By Mr. SHELLABARGER:

Q. I do not think I understand you in reference to those bonds that accompanied those several drafts. You stated that they were land-grant bonds?—A. Yes, sir.

Q. Bonds of that character equivalent in amount to the several drafts you have named accompanied the drafts?—A. Yes, sir.

Q. And were delivered to the same parties who received the drafts?—A. Yes, sir.

Q. Does that also apply to the checks? Were these bonds also delivered to the parties who received the check?—A. Bonds may have been delivered to the express. I cannot say positively as to that now.

Q. Describe now the title by which the parties receiving those checks were entitled to the bonds also. That is what I do not understand. How came the parties receiving these checks and drafts to be entitled to receive also bonds of an equivalent amount?—A. The bonds were the property of the company, representing $1,000 each. They had been previously sold at 70 per cent.

Q. Sold to whom?—A. Sold to Mr. C. S. Bushnell as agent of some parties. That was some time prior to this transaction, and this was the carrying out of a part of that transaction.

Q. A party buying a bond, and paying for it, would naturally get the bond and pay the money for it, would he not?—A. Yes, sir.

Q. Had Mr. Bushnell bought those bonds?—A. Mr. Bushnell, as agent, had bought those bonds for another party, and those drafts that were drawn, and which accompanied the bonds, would have belonged to the company had they not been paid over as part of that $136,000.

made the entry on my cash-book: "Paid out on account of those legal expenses, $126,000." I must have something on the other side of those books to balance and keep the cash straight. The company, I might say, that day made a sale of so much of their bonds, and those drafts were the proceeds of these bonds.

Q. In other words, the result of that transaction was to authorize Mr. Bushnell to retain in his hands that amount of money, the proceeds of bonds sold by the company?—A. Yes.

Q. These drafts, then, were drafts which withdrew from the treasury the proceeds of the sale of bonds which they represented?—A. Yes.

Q. Do you know at what price those bonds were sold in that particular transaction?—A. This was only a part of a transaction which had been made some two or three months prior.

Q. Do you know the price at which they had been sold?—A. Yes; the land-grant bonds were sold at 70 per cent.

Q. Then an amount of bonds would be issued in excess (taking them at their par value) of the amount of drafts by the difference between 100 per cent. and 70 per cent.?—A. Yes.

By the CHAIRMAN:

Q. On what bank was the check drawn in favor of Mr. Dodge?—A. On the National Bank of Commerce in Boston.

Q. Was that check payable to bearer, or did it require indorsement?—A. It required my indorsement, and it required the secretary's indorsement. I think Mr. Rollins's indorsement was in blank, and not to anybody's order.

Q. On what bank was the check drawn in favor of Mr. Wilson?—A. On the same bank. You did not understand me to say that that check was drawn in Mr. Wilson's favor? I have not stated that.

Q. State in what way it was drawn.—A. The check was drawn to my order first, and I made it payable to the order of E. H. Rollins, secretary, and he made the indorsement in blank, I believe; that is my impression.

Q. Do you know where those checks are?—A. I should say they were in the office of the company.

Q. They ought to be there?—A. Yes, sir.

Q. Have you ever seen them since the time you issued them, as you have stated?—A. Yes, sir; I saw them when the bank account was settled at the end of the month, when the bank-checks were returned.

By Mr. HOAR:

Q. Be good enough to state now exactly what is the source of your information on which you have made the statement concerning Mr. Wilson's having any of these checks. To whom did you deliver the check for $24,500, and the check for $19,000?—A. The $24,500 check to Mr. Dodge and the $19,000 check to Mr. J. F. Wilson.

Q. You delivered that to Mr. Wilson with your own hands?—A. Yes, sir.

By Mr. SLOCUM:

Q. In your memorandum here you have got 25 multiplied by 7; what do you mean by those figures?—A. That is a copy of the original memorandum.

Q. These figures mean something; what do they mean?—A. I do not know that I really know their meaning.

Q. You had an idea when you put them down there?—A. I put them down there as being a copy of the original.

Q. Do you know what those figures mean?—A. I only infer what they mean. My inference is that they go to show how the $24,500 was made up.

Q. Give us what you know about it, and tell us what you found your opinion on.—A. I found my opinion on the original memorandum. My impression is that the $24,500 was made up by seven shares of $2,500 each and one share of $7,000.

Q. What do you found that opinion on?—A. On the original memorandum.

Q. Made up by whom?—A. I cannot say if it was made by Mr. Dodge or Mr. Bushnell.

Q. But somebody gave you a memorandum showing how that $24,500 was made up?—A. Not for that purpose; but this happened to be on the memorandum given to me to draw my checks from.

Q. And there were seven parcels of $2,500 each and one of $7,000 to make up that $24,500?—A. That is what the memorandum would seem to show.

Q. After the figures $126,000 and the initials "C. S. B. & others" is the letter N; what does that mean?—A. I do not know.

Q. Did you just copy that literally from the memorandum?—A. Yes, sir; I have no knowledge at all what it means. It is just a copy of the memorandum.

Q. What was that memorandum?—A. A simple rough pencil memorandum on a slip of paper about as large as two of my fingers.

Q. In all the conversation you heard there did you hear the name of any person mentioned to whom this money, or any part of it, was to be paid?—A. Only those parties whom I have named, General Dodge and Mr. Wilson.

Q. Never, in all the conversation with the directors, did you hear any names of persons mentioned that this money was to be divided among?—A. No, sir.

Q. But you understood that it was all to come to Washington?—A. That was my impression.

Q. I do not want your impressions.—A. I understood that it all went to make up this $126,000, which was used for the purpose I have mentioned.

By Mr. SHELLABARGER:

Q. What are the initials of the chief engineer, Dodge?—A. G. M.

Q. Were the letters G. M. B. opposite to the figures 24,500 in the original as handed to you?—A. Yes, sir.

Q. The letters C. S. B. stand opposite the figures 101,500 in this copy of yours; do they so stand in the original?—A. Yes, sir.

Q. What are Mr. Bushnell's initials?—A. C. S.

Q. Opposite to the figures 7,000 is the letter L. Is there any party connected with this transaction whose last name begins with L?—A. No one that I know of.

Q. Do you know where that $7,000 went?—A. No, sir; I do not.

Q. Have you any information from any officer of the company or from any officer of the Credit Mobilier showing where it went?—A. No, sir.

Q. You said something about Mr. Rollins having got $2,500 of it for the purpose of paying Mr. Ordway. State again just what was said about that.—A. When I gave Mr. Rollins a check for the draft which Mr. Bushnell gave him, I suggested to him that that was his share for his services at Washington; which he did not admit, but said that he wanted it to pay Mr. Ordway, the Sergeant-at-Arms, $2,500 which he had borrowed of him for Mr. Bushnell when he was in Washington.

Q. Is that all that you recollect?—A. That is all that I remember that he said.

Q. What did he say at that time about who got the other six-sevenths?—A. I had no conversation in relation to it.

Q. Did you have any conversation with any member or officer of the company about who got the other six-sevenths?—A. No, sir.

Q. Twenty-five hundred multiplied by 7 produces 17,500 on this memorandum.—A. Yes.

Q. And 7,000 added to that produces 24,500.—A. Yes, sir.

Q. Do you know anything either from Mr. Dodge or from any officer of the company as to what was done with the $19,000?—A. No, sir; I have no idea.

Q. Have you any information which you can give to the committee showing what was done with the $17,500, except the $2,500 which you gave to Mr. Rollins?—A. That $2,500 is not included in the $17,500.

Q. Mr. Rollins will be included in this, will he not?—A. No, sir; because the $24,500 was made up by those amounts; and the check which Mr. Rollins had came from the $82,500 which Mr. Bushnell had.

Q. Then his was not one of the seven shares that made up the $17,000?—A. No, sir.

By Mr. HOAR:

Q. Did you receive any information from any of these gentlemen whether that sum of $17,500 was divided into seven shares rather than into two or three shares, or whether it was divided at all?—A. No, sir. I have no information in regard to that.

Q. Were you informed who were the persons who themselves came to Washington, or what number of persons came?—A. I do not know that I can state the number. I only gathered it from correspondence that I saw or from conversations that I heard while in the office about those parties being here.

Q. How many were here?—A. I believe that I have stated the number at four, or five, or six. That is as far as I know.

Q. Did you ever exhibit to Mr. Williams afterward this memorandum?—A. No, sir; I do not think I did. I made a remark to him at the time it was given to me.

Q. What was it?—A. I cannot give the exact words, but I said to him that I supposed that that was the amount used for lobbying purposes. I remember that these were just my words.

Q. What did he reply?—A. I think he said "I suppose so," or he gave me to infer that such was the case.

Q. Did you state to any of these gentlemen connected with that transaction that you had preserved this memorandum?—A. No, sir.

Q. How long had you been in that office of assistant treasurer or cashier at that time?—A. About a year and a half or two years.

Q. What was your power?—A I handled all the money. I disbursed all the money that belonged to the company, and I received the moneys which the trustees received.

Q. Did you give any bond?—A. No, sir.

Q. Did you have the right to draw checks or drafts binding the company unless they had been first drawn by Mr. Williams, payable to your order?—A. No, sir.

Q. So that the method of your transacting business, as far as you were a cashier, was that Mr. Williams signed, payable to your order, checks in the check-book, and you filled them out?—A. Yes.

Q. Do you know where that check-book is now?—A. I suppose in the office in Boston.

Q. Did you make a memorandum on the margin of the check-book indicating the nature and character of the check?—A. It was my custom to do so.

Q. Did you not in this instance?—A. I must have put down some memorandum. I do not remember what. I may have put down "R. H. R." The check will show.

Q. This check which you say you delivered in person to Mr. Wilson, was there any memorandum on the margin of the book which would exhibit that?—A. There was some memorandum, but I cannot say what it is.

Q. Did this check come back to you again?—A. Yes.

Q. Do you know whether the money could be drawn on it before its being indorsed?—A. Yes. It was indorsed by Mr. Rollins in blank, making it payable to anybody's order. The party holding it, I suppose, could collect the money on it.

Q. But do you not know whether the rule of your bank was or was not inflexible on that subject?—A. They would require it to be indorsed unless the party was known at the bank. I think that that is the custom.

By Mr. SHELLABARGER:

Q. You stated that this memorandum, handed to you by Mr. Williams, was not in Mr. Williams's figures?—A. It was not.

Q. You did not state in whose figures it was. If you know, do so now.—A. I believe that I stated that I could not say positively in whose handwriting it was. I am not familiar with General Dodge's handwriting.

Q. Have you an opinion on the subject which you would think worthy of delivering to the committee, as to whose handwriting it is? If so, state whose it is, in your judgment or opinion.—A. My opinion is that it is Mr. Bushnell's. I see that he had a good deal to do with it.

Q. That opinion is not made up from your knowledge of the handwriting?—A. I think it is in his handwriting.

Q. Will you produce to the committee, at your convenience, the original, if you can do so?—A. Yes, sir. If I am obliged to do so, I think I can.

By the CHAIRMAN:

Q. Do you know of any other sum or sums of money having been paid out and charged to legal expenses?—A. As it is some two years since I have been in the office, it would be difficult for me, without the aid of the books, to state such amounts. There is one amount that occurs to me which is charged to legal expenses without a voucher having given.

Q. What was the amount?—A. Three thousand dollars.

Q. Who got the money?—A. Mr. Rollins, the secretary of the company.

Q. Under what circumstances did he get the money?—A. I was told by the president, Mr. Oliver Ames, to give him the money.

Q. Did you keep any memorandum of it at the time?—A. No, sir, only the memorandum on the check-book.

Q. Did you at any time afterwards get a voucher, or endeavor to get a voucher, from him; and if so, what was the result? State all you know in regard to that transaction.—A. Mr. Ames told me to give this money

to Mr. Rollins, and he would account to me for it. I made a little slip memorandum and put it in my drawer for $3,000, counting it as cash, and it lay there for some months. One day I went into the directors' rooms, where Mr. Oliver Ames and Mr. Rollins were together, and asked for a voucher, or what I should charge it off to on my cash-book. I received no answer, but was motioned out of the room. Shortly after that Mr. Rollins came out and told me to charge it to legal expenses.

Q. Did you do so?—A. I did.

Q. Will the books of the company show that fact?—A. Yes.

Q. On what books will that be found?—A. On the cash-book.

Q. Was there ever any voucher furnished to you for that?—A. No, sir; I called for one, but Mr. Rollins declined to give me any.

Q. You say he declined to give you any. Can you state what he said in that connection when you asked him for the voucher?—A. I asked him for a voucher, that I might be protected, and he said no; he would not give one; he would be damned if he would.

Q. When was this?—A. It was about the first of June 1870.

Q. Was the treasurer, Mr. Williams, there at the time?—A. No, sir; I think he was away in California.

Q. Was his attention ever called to it?—A. I never called his attention to it, but he called my attention one day to the fact that my bank-account and cash did not balance, and I explained to him how it was.

Q. Did you tell him then to whom this money had gone?—A. I did.

Q. Do you know whether he instituted any investigation into the matter?—A. No, sir; I do not.

By Mr. SHELLABARGER:

Q. Was it the absence of a voucher for that $3,000 which made your cash account fail to square?—A. In making up my cash I would say so much in the bank and so much cash on hand, and then, whatever memoranda I might have in my drawer counting for cash. Mr. Williams having noticed the discrepancy in my cash, I had to explain to him that there was $3,000 which I held on a memorandum, and which I had given to Mr. Rollins.

By Mr. SWANN:

Q. On whose check was that $3,000 drawn?—A. I think it was signed by Mr. Williams. He had signed up some hundred pages of the check-book to my order, and I indorsed the check.

Q. Checks so signed you had instructions to use?—A. Yes.

By Mr. SHELLABARGER:

Q. Do you know how that $3,000 was applied?—A. I have no personal knowledge in relation to it.

Q. Have you any information from any officer of the company, either Mr. Rollins or any other officer, that will enable you to state how that money was used?—A. I can only state some circumstances which transpired at that time and some conversation that I had with Mr. Rollins.

Q. If they relate to this $3,000, or explain its use, you may state them to the committee.—A. Mr. Rollins had previously told me that at the time of the senatorial contest in New Hampshire in June, 1870, when he got ready to go up there, the company would have to help him; and when he received this money he immediately went to New Hampshire, and was gone two weeks until after the election. It was at the time that he was trying to get Cragin's place, I think.

Q. Is that all you know about it?—A. I know something else, but I do

not know that it would be pertinent to the matter. I do not know the fact whether Mr. Rollins used the money for the purpose which he gave me to understand he was going to use it for.

Q. Do you know anything else about it that came from any officer of the company?—A. No, sir; I do not recollect anything else now.

By Mr. SLOCUM:

Q. Did you ever hear of any other case where the company used money to help to elect Senators?—A. No, sir; I did not.

By the CHAIRMAN:

Q. Do you know anything about a note of $2,000,000 which was executed by the Union Pacific Railroad Company?—A. I know that there was such a note given by the company. (The copy of the note of 4th August, 1869, having been shown to the witness.) I know the fact that this note was given. This seems to fix the date; I do not know that I can state the purpose for which the note was given.

Q. Were you present at the time the note was executed?—A. Yes.

Q. What was said about the matter at the time?—A. I do not know that anything was said in my hearing. My desk was a little one side of where the note was being fixed up.

Q. Were the books of the Union Pacific Railroad Company and of the Credit Mobilier examined at that time with a view of ascertaining what amount, if any, was due by the Union Pacific Railroad Company to the Credit Mobilier?—A. Not to my knowledge.

Q. To what account was this note charged? Was it charged to any particular contract; and if so, to which?—A. I cannot state of my own knowledge what it was charged to. I remember the credit of $2,000,000 to bills payable, but it has gone from my memory what it was charged to. I have seen testimony here, however, which reminded me that it was charged to the Hoxie contract.

Q. At the time that this note was given did the books of the company show that there was anthing due to the Credit Mobilier from the Union Pacific Railroad Company?—A. I do not know that I can state positively in regard to that particular time, but I know that soon after that, and for some time afterward, the Credit Mobilier was indebted on the books of the Union Pacific Railroad Company.

Q. Do you recollect to what amount?—A. My memory is that it was the amount of some $800,000 or $900,000.

Q. Then, if I understand you properly, at the time this two-million note was given, so far as the books showed, instead of the Union Pacific Railroad Company owing to the Credit Mobilier $2,000,000 or any other sum, the Credit Mobilier was indebted to the Union Pacific Railroad Company in the sum of some $800,000 or $900,000?—A. I am in doubt about the time fixed here. I cannot say that the Credit Mobilier was debtor to the Union Pacific Railroad Company at the time this note was given. I do not recollect how the books stood at that date. My impression was that the note was given some time subsequent to the date it bears.

Q. And dated back?—A. I will not say so, but my impression was that the note was given in 1870.

Q. After the note had been given, the Credit Mobilier seemed to be on the books of the company, indebted to the Union Pacific Railroad Company?—A. Yes.

Q. At the time that you observed that fact as appearing on the books had this two-million note been entered up against the Credit Mobilier

on the books of the Union Pacific Railroad Company?—A. I cannot answer that from memory. I could tell by referring to the books.

Q. Have you any papers, memoranda, or books under your control or in your keeping now, that will enable the committee to know what was the true state of affairs between these two corporations at that time?—A. I have no books. I have some rough memoranda which I had occasion to make while I was in the office.

Q. What is the character of those memoranda?—A. Showing how the different accounts on the books stood.

Q. Do you mean trial-balances?—A. Yes, sir.

Q. Was there any book in the office of the company showing trial-balances?—A. Yes, sir; there was a trial-balance book.

Q. Where is that book now?—A. I suppose that the Union Pacific Railroad Company has the custody of it.

Q. How often were these trial-balances made?—A. Monthly.

Q. Have you any of those trial-balances with you?—A. Yes, sir. (Handing some papers to the chairman.)

Q. When did you make this paper out?—A. I do not know that I can tell the date; it was while I was in the office.

Q. Is this a paper you made up with reference to entries which you were about to make up, or was it a memorandum of entries that had been made on the books?—A. It was made up so that I might know how the different accounts stood, as was my duty to know. I was recognized as chief clerk in the office, and had the oversight of the books, and for some time, especially at the end of each month, I had to assist in drawing up these trial-balances and proving the books.

Q. Was that the purpose for which this was made?—A. Yes, sir.

Q. Can you state from this what it cost the Union Pacific Railroad Company to build the road up to this time?—A. I do not know that I can without taking a little time to study it. It has been so long since I thought anything of this matter.

Q. On 1st May, 1871, how did the books of the company stand with reference to what is known as the Hoxie contract?—A. The Hoxie contract stood debit on the books $263,620.

Q. And how much debit?—A. That was the balance of credit. There was no debit.

Q. And at that time what did the books of the company show with reference to the cost of construction under the Oakes Ames contract?—A. The Oakes Ames contract was debited with $1,748,739.95.

Q. Did these entries with reference to the Hoxie and Oakes Ames contracts show that the Union Pacific owed these amounts to the contractors or that the contractors owed these amounts to the company?—A. In the case of the Hoxie contract it would show that the Union Pacific Railroad Company was indebted to the Hoxie contract $336,000.

Q. How is it with reference to the Oakes Ames contract?—A. It would show that the contractors owed the company $1,748,739.94.

Q. What would the books at this time show with reference to the Davis contract?—A. They show a debit of $23,548,547.54.

Q. That is to say, they show that the Davis contract owed the company that amount of money?—A. The books show that to be the case.

Q. Do you know what is to be charged up on the other side of the account, with reference to the Davis contract? Did the books which you had at that time show the expenditures of the company on the account?—A. No, sir; the Boston books did show that.

Q. Have you examined the New York books with reference to that matter?—A. No, sir.

Q. Have you ever examined the New York books with reference to either of these contracts?—A. No, sir. The New York books did not come to the Boston office till about a month before I left.

Q. Does that trial-balance sheet show the state of the accounts between the Union Pacific Railroad Company and the Credit Mobilier?—A. Yes, sir.

Q. What does it show on the subject?—A. It shows that the Credit Mobilier was debtor to the Union Pacific Railroad Company $816,285.01.

Q. What was that date?—A. May 1, 1871.

Q. At the time you made that up, had this $2,000,000 been entered up on the books of the company?—A. I should say that it had been, but I cannot tell without referring to the books.

Q. That sheet does not show it?—A. No, sir; this is merely balances from the books.

Q. Do you know of any sales of bonds or subscription of stock that was made during the time you were connected with the Union Pacific Company, and with those trustees?—A. I have such knowledge as I could obtain by being in the office.

Q. What do you know of the sale of bonds?—A. I do know of the sale of bonds being made by the Union Pacific Company.

Q. What bonds were they?—A. All the bonds that the company owned.

Q. What class of bonds were they?—A. Some income and some land-grants, and some bridge bonds.

Q. Do you recollect what amount in all was sold?—A. Between $4,000,000 and $5,000,000.

Q. To whom were they sold?—A. They were sold to Mr. C. A. Bushnell, as agent.

Q. As agent for whom?—A. I do not know that fact.

Q. Do you know at what rate they were sold?—A. Yes, sir.

Q. What was it?—A. The income bonds were sold at 50 per cent., the land-grant bonds were sold at 70 per cent., and the bridge bonds were sold at 85 per cent.

Q. What bridge bonds do you refer to?—A. The Missouri River bridge which crosses at Omaha.

Q. About what time was that sale of bonds?—A. About January 1, 1871.

Q. State whether there was any sale or subscription of stock at or about that time?—A. The trustees sold some stock.

Q. To whom did they sell that stock?—A. To the same parties.

Q. What parties do you mean?—A. The parties whom Mr. Bushnell represented.

Q. How did the trustees get that stock; from what source did they get it?—A. I do not know that I can answer.

Q. Was there a subscription of stock about that time on the books of the Union Pacific Railroad Company; and, if so, who made it?—A. Yes, sir; I think there was a subscription.

Q. Who subscribed?—A. Mr. John A. Rice, assistant treasurer of the trustees.

Q. What was the amount of stock that was sold by those trustees at the time you indicated?—A. From 20,000 to 30,000 shares.

Q. Was there any money paid to the Union Pacific Railroad Company on account of that subscription, any money paid into the treasury of

that company?—A. There was an open account with John A. Rice, assistant treasurer of the trustees, had on the books, and there was a credit to his account.

Q. Do you mean to say a credit to the amount of the subscription?—A. I cannot say without referring to the books. The stock subscription books will not show it, but the general ledger kept in Boston will show it.

Q. Look at this subscription by Rice on the stock subscription book and state whether that is the subscription you refer to?—A. (After looking at the book.) I should say it was one of those subscriptions.

Q. What is the amount of it?—A. Thirty thousand shares.

Q. What is the date of it?—A. July 29, 1870.

Q. How was that subscription of 30,000 shares paid for?—A. I cannot say unless it went into John A. Rice's account on the ledger. There was no formal transaction.

Q. Was there any money paid?—A. There was a nominal check passed, I believe, but no money.

Q. It was a paper transaction exclusively, was it?—A. Yes, sir.

Q. Describe that paper transaction. Tell the committee exactly how this thing was done.—A. The vouchers are in the office, and they had better speak for themselves.

Q. I simply want you to state how it was done—whether it was done by passing checks, or by paying in money.—A. Just by passing a check on the Bank of Commerce, and a receipt was made out for the check.

Q. Was there any money in the Bank of Commerce to the credit of the Union Pacific Railroad Company corresponding with any such sum as that?—A. No, sir.

Q. The Union Pacific Railroad Company got no such sum of money as that in actual money?—A. No, sir. It would depend somewhat on how much these thirty thousand shares represented. If it was a dollar a share, it might have been paid, but if the shares were at par it could not be.

Q. Was there any money paid on account of that sale of bonds?—A. Yes, sir; the day the transaction was consummated there was a check for $500,000 passed in payment for 1,000 income bonds. The rest of the bonds which were sold were out, pledged as collateral; and as the loans matured on which these bonds were pledged, the bonds were turned over, the party taking it paying for the bonds.

Q. Do you know what the purpose of that transaction was; this sale of bonds and subscription of stock?—A. It was to enable the company to pay their floating debt.

Q. Was there any change in the ownership of the road, or in the control of the road, at or about that time?—A. This transaction was some time in January; there was a change of direction in March.

Q. Do you recollect who came to be the directors in March?—A. Colonel Scott came in as president, and two or three new directors came in.

Q. Do you recollect who they were?—A. I cannot recall their names. There were one or two from the Pennsylvania road. They called it the Scott interest or the Pennsylvania interest.

Q. State just how the Union Pacific Railroad Company got pay for that thirty thousand shares of stock which were issued at that time.—A. If Mr. Rice subscribed for that stock and paid for it, the stock belonged to the trustees. The trustees made the sale of that thirty thousand shares of stock to the same party.

Q. But the Union Pacific Railroad Company issued the stock on the subscription of Mr. J. A. Rice?—A. Yes, sir.

Q. Thirty thousand shares?—A. Yes, sir.

Q. I want to know how the Union Pacific Railroad Company got its pay for that stock?—A. I do not know of any other way except through John A. Rice's account. His account was credited for the sale of the income-bonds that were issued.

Q. That thirty thousand shares of stock would represent $3,000,000?—A. Yes.

Q. And the only mode by which the Union Pacific Railroad Company got paid for that stock, as you understood it, is that it went to the account of John A. Rice, who represented the board of trustees under these contracts for construction?—A. Yes, sir.

Q. What was this stock worth at that time?—A. I think the market value was from 30 to 40. The trustees sold the stock.

Q. What is the date of the subscription of that stock and the sale of those bonds?—A. The stock subscription was July 29, 1870; the sale of the bonds was somewhere from the first to the middle of January, 1871.

Q. Do you know anything about any distribution of bonds, stock, or any other assets of any kind by the board of trustees?—A. Yes, sir; there was some issued while I was there.

Q. State what you know in regard to that?—A. There was a circular sent out to the stockholders on the 11th of August, 1869. I present a copy of that circular.

The circular is as follows:

CIRCULAR.

BOSTON, *August* 11, 1869.

To the stockholders of the Union Pacific Railroad Company:

The trustees, for the purpose of realizing, from the assets in their hands, means to settle up the obligations of the trust on equitable terms to all parties in interest, offer to the stockholders of the Union Pacific Railroad Company one thousand (1,000) land-grant bonds at par, together with thirty thousand shares of the Union Pacific Railroad Company stock; also certificates, selling by definite numbers, one thousand of the first-mortgage bonds now deposited in the Treasury at Washington, at par, to be delivered as soon as possible, together with twenty thousand shares Union Pacific Railroad Company stock.

On the payment of $2,000 you are entitled to one land-grant bond, and one certificate for first-mortgage bond, and fifty shares of Union Pacific Railroad stock inclusive, for every two hundred shares of stock now held by you, provided you notify the subscriber on or before August 20, and send the money to pay for such bonds as you are entitled to receive before the said 20th day of August, 1869.

In case any stockholder fails to purchase the bonds and stock herein offered him, the same will be distributed in equal proportions to those who accept this offer and comply therewith.

Please answer.

B. E. BATES, *Treasurer.*

P. S.—The first-mortgage bonds are on interest from July 1, 1869. The land-grant bonds are on interest from October 1, 1869.

Q. Was that distribution made in accordance to the terms of that circular?—A. It was made in part. It was commenced, but there were some legal proceedings that stopped it.

Q. What was done next in that behalf?—A. The next circular was issued on September 22, 1869, as follows:

CIRCULAR.

BOSTON, *September* 22, 1869.

To the stockholders of the Union Pacific Railroad Company:

The trustees, having completed the work of construction and equipment of the Union Pacific Railroad, and having received a payment for the same in ten per cent. income-bonds, payable September 1, 1871, or within five years, at the option of the company, also stock of the Union Pacific Railroad Company, and being desirous of closing up the trust, and paying up all outstanding liabilities, propose to each party interested in the trust the following terms:

For two of said income-bonds at one thousand dollars each, and forty shares of the stock of the company, the trustees will take sixteen hundred dollars, cash, and as agents for the Union Pacific Railroad Company, and by way of compromise and adjustment, will also give the party taking said bonds one other of said bonds of one thousand dollars, upon the surrender to us as such agents of a certificate or agreement of July 3, 1868, by which the Union Pacific Railroad Company promise to deliver, when practicable, one of its first-mortgage bonds; payment for the said bonds will be received as follows:

Fifteen (15) per cent. on the first of October; ten (10) per cent. on the fifteenth of October; ten (10) per cent. on the first of November; ten (10) per cent. on the fifteenth of November; ten (10) per cent. on the first of December; ten (10) per cent. on the fifteenth of December; ten (10) per cent. on the first of January; ten (10) per cent. on the fifteenth of January; and fifteen (15) per cent. on the fifteenth of February.

Any shareholder notifying the subscriber on or before the first day of October will be entitled to his *pro rata* portion of these securities.

Any stockholder failing to take his portion of the securities in thirty days from the date of this circular will forfeit his right thereto, and said securities will be divided, *pro rata*, to those stockholders who are willing to take them.

By order of the trustees:

JOHN A. RICE,
Assistant Treasurer Trustees.

Q. Was the distribution made according to that circular?—A. Yes, sir; to those parties who accepted the conditions.

Q. Are you able to state who accepted those conditions?—A. Not from memory. The books show it. I should say pretty much all.

By Mr. SHELLABARGER:

Q. Can you state what the stock of the Union Pacific Railroad Company realized in cash to the company under the propositions stated in those two circulars?—A. The 30,000 shares realized to the trustees the equivalent of $250,000.

Q. That is, the $250,000 represented what they got in road-making—what would be coming to them under their contract for making the road?—A. Yes.

Q. I will read to you a resolution from the blotter of the seven trustees under the Oakes Ames contract, dated 4th May, 1870:

"Mr. Duff offered the following:

"Whereas questions have arisen between the trustees for building

the Union Pacific Railroad and the Union Pacific Railroad Company, relating to the interest, delays in location, and the extraordinary expenses of building the road by working night and day, wherein they claim large sums over the price provided for in the said contract with the said company; and in order to settle all claims of every kind under the said contracts, it is proposed by the trustees, on payment of $5,000,000, that the trustees will receive the same in payment of all claims against the company on account of the building of the said road under the Ames and Davis contracts.

"Adopted by yea and nay vote. Yeas: Ames, Durant, Bushnell, Duff, Bates, and Dillon."

Do you know whether that $5,000,000 extra compensation provided for in that resolution was allowed by the Union Pacific Railroad Company to the trustees?—A. I do not personally know it.

Q. Have you any information on the subject from the officers or members of either corporation?—A. No, sir. I know that there was a difficulty between the trustees and the Union Pacific Railroad Company, but how it was settled I never knew.

Q. The books do not enable you to state?—A. There is nothing on the books that would indicate anything in regard to that.

Q. You can give us no information on the subject at all?—A. No, sir.

By the CHAIRMAN:

Q. There has been something said during the progress of this investigation in reference to what I believe one witness called a shortage in the bonds, and it seems to have occurred about the time the office was removed from New York to Boston. Do you know anything about those bonds?—A. I know that there was a shortage in the bond account.

Q. To what extent?—A. In the first-mortgage bond I think it was about $350,000, and in the United States currency sixes $145,000, making about $500,000.

Q. Do you know what became of those bonds, and whether any of them have been since discovered?—A. Some of them, I believe, were traced. Ninety-seven of the first-mortgage bonds were accounted for. These were pledged as collateral on a loan of 260,000 francs by Scheller & Co., who failed, and the drafts were not paid and they kept possession of the bonds. I believe the company lost the bonds in that way. One other bond was accounted for by a receipt which was found, and I believe that was allowed in the account. Then there were twenty-four other first-mortgage bonds that were found. I think that that is all that were discovered; the rest is yet to be accounted for.

Q. Where were these last twenty-four first-mortgage bonds found?—A. They were in New York.

Q. Who had them?—A. Mr. Ham. At the time I left the company these bonds had not been accounted for or returned.

Q. Do you mean to say that they had been traced into Mr. Ham's hands, but had not been accounted for to the company?—A. Yes.

Q. How many of those bonds are still missing, according to your understanding?—A. About $250,000 of first-mortgage bonds, and about $145,000 United States currency sixes.

Q. Have you any information as to where those bonds are?—A. No, sir.

By Mr. SHELLABARGER:

Q. Is the company in possession of the numbers of the missing bonds?—A. It ought to be. There was a bond-record book showing all the

bonds issued, to whom they were issued, and what numbers, so that the company ought to be able to know at any time the numbers of the bonds it should have on hand.

Q. Has the company ever taken any steps to ascertain whether any of these missing bonds have ever been in circulation or passing from hand to hand?—A. While I was in the office I tried to trace them a little, but I did not meet with much success.

Q. You never discovered any of them except those which you have related in your answer to the chairman?—A. That is all.

Q. You have never found any of the bonds by number in the hands of a third person?—A. No, sir.

By Mr. HOAR:

Q. You used the phrase "traced to Mr. Ham;" that might demand some little explanation. What was the transaction you speak of, and which you describe in that way?—A. I think it was a loan which the company made in New York, or which Mr. Ham, perhaps, negotiated for the company, and at the maturity of the note the money was sent on to New York to be paid. The payment of the note released the bonds. The note came back to the office, but no bonds.

Q. And the bonds remained in Mr. Ham's possession?—A. Yes.

By Mr. SLOCUM:

Q. You do not mean that Mr. Ham did anything wrong in the matter?—A. O, no; certainly not.

Mr. HOAR. You used a phrase which would seem as if you caught Mr. Ham running off with those bonds.

The WITNESS. No, sir; I would not like to have that inferred at all. I mentioned it because those bonds were found about a year after the transaction.

On motion of Mr. Hoar, permission was given to Mr. James F. Wilson to interrogate the witness, and afterwards to make such statement as a witness as he himself desired.

By Mr. JAMES F. WILSON:

Q. Please fix the date of the alleged delivery of this check to me.—A. The same date that that $126,000 is charged, the 9th of May, 1871.

Q. And is that the date of the check?—A. I should say it was; yes, sir.

Q. At what place and under what circumstances was that check delivered to me?—A. In the office of the Union Pacific Railroad Company; at my desk, or near to it.

Q. To whom was that check payable?—A. Payable first to my order and then to Mr. Rollins.

Q. Then it would require your indorsement and Mr. Rollins's indorsement before I could get the money on it?—A. Yes, sir.

Q. On what bank was that check drawn?—A. On the National Bank of Commerce.

Q. Where is that bank located?—A. In the same building as the offices of the Union Pacific Railroad Company.

Q. Was there any other check drawn at that time payable to me, or my check that was delivered to me?—A. I have not stated that any check was made payable to you, but that it was delivered to you. I have stated that I delivered to you the $19,000 check.

Q. Was it delivered open?—A. Certainly.

Q. By whose direction did you deliver that check to me?—A. Either by Mr. Bushnell's or Mr. Williams's. I do not know which.

Q. State as nearly as you can which you suppose it was.—A. I suppose Mr. Williams.

Q. Have you ever seen that check since?—A. Yes.

Q. Where is it?—A. It was in the office of the Union Pacific Railroad Company when I last saw it.

Q. Was it indorsed by anybody?—A. Only the indorsements which I have already stated.

Q. You fixed the date of that as the 9th of March, 1871?—A. Yes, sir.

Q. What was your position at that time?—A. I was cashier of the company, and acted as assistant treasurer.

Q. Did you act at the same time for the Credit Mobilier?—A. No, sir; I never had anything to do with the Credit Mobilier.

Q. This was a Union Pacific Railroad check for $19,000 drawn on the National Bank of Commerce and delivered to me by you by direction of Mr. J. S. M. Williams, treasurer of the company?—A. I should say by Mr. Williams, but it may have been by Mr. Bushnell.

Mr. James F. Wilson then made the following statement:

Mr. CHAIRMAN: I desire to state that never since I have been connected with the Union Pacific Railroad Company have I handled a dollar of the money of that company except such as I have received for my services as a Government director, and for the preparation of a pamphlet, to a small amount. All of my vouchers are made out regularly, and are on file in the office, where they can be obtained. I have received no money for myself or for any other person, that I can recall, from the Union Pacific Railroad Company, except as I have stated. I desire that these checks may be obtained and that every person whose hands they have passed through may be examined. I further wish to state that I have no recollection of ever having been in that bank. If I am acquainted with any person in that bank I cannot now recall it, and I am sure that if I had gone in there with a check to that amount they would have required some identification of me or an indorsement of the check by myself or by some person acquainted in the bank. I wish also to state, and I will do it in the presence of Mr. Clark, the present president of the company, that so far from ever having had anything to do with the money of the company or endeavoring to influence legislation, or being paid for any professional services to the company, Mr. Clark has applied to me to act on some occasions as counsel for the company, and that I have invariably declined to do so, on the ground that I would not put myself in a position which would compromise me.

Mr. HORACE F. CLARK. You will also state that I never proposed that you should be employed as counsel in any legislative matter.

Mr. JAMES F. WILSON. No, sir. I speak now of legal services.

Mr. CLARK: Not legislative.

Mr. WILSON. Not legislative. I have taken no part in regard to legislation. When this legislation was had in regard to the interest question I was not in Washington. I have invariably abstained from endeavoring to influence Congress or any member of Congress concerning any legislation in which the Union Pacific Railroad Company was interested from the time I left Congress and became a Government director down to the present. Mr. Clark calls to my mind this moment a conversation we had on that subject at one time, in which he stated that he never would, under any circumstances, allow any money to be used for that purpose if he knew it.

Mr. CLARK. Nor has one cent been so used.

Mr. WILSON. These checks have undoubtedly passed to some person

re is but one possible way that I can think of by which that check ht have got in my hands. Mr. Spence, if he drew that check, may e asked me to hand it to some person, but I have not even got that llection. It is often the case that a paper is handed to some person nd to another who might be out at the time; but as to ever hav- handled a dollar of that money, knowing anything about that check, ver having used the money that that check represented, or as to ing where that money has gone to, I utterly and emphatically y.

By Mr. SHELLABARGER:

Were you in Boston on the 9th of March, 1871?—A. Yes, sir; the ctors had a meeting at that time, and I believe, as I stated the other that I attended all their meetings.

Do you recollect of being in the office of the Union Pacific Rail- Company at that time?—A. Undoubtedly, because the meeting e board was held at the office of the Union Pacific Railroad Com- y.

At the same place where Mr. Spence's office was?—A. Yes, sir. occupy two or three rooms in the Sears building.

By the CHAIRMAN:

Was your attention called to this $126,000 item at the time you there on the 9th of March, 1871?—A. I stated in my examination ther day that I had been appointed one of a committee to which ccount was referred, but that I declined to act on the committee. ed on that occasion that I had seen reports in the papers that efforts being made to secure favorable action by Congress, and I deter- d that so far as that was concerned, or as the auditing of accounts concerned about which there might be any question, I would not anything to do with it. It was not my business as Government tor to audit accounts; and, furthermore, I may state frankly that idea occurred to me, that if I did act, notwithstanding all the rep- tations I had heard of the money being properly used, still if there ened to be anything covered up, and which came out afterward, it d connect me as Government director with it. It was partly a e of self defense against any future trouble.

The law requires that a Government director shall be placed upon general or special committee?—A. Either the law or the by-laws.

And you, as a Government director, were placed on that committee he purpose of considering that account?—A. I suppose that was ason they placed me there.

But you declined to act with the committee?—A. Yes.

Leaving the Government unrepresented on the committee?—A. state that it is not a usual mode of doing business. The very hat an account of the kind would be sent to a special committee nough to cause me, or any other Government director, to hesitate. erstand this: that touching all subjects to which the Government sts can relate properly, they must have a Government director on ittees; but I do not understand now that it is the place of a mment director to act as an auditing officer of the accounts of the any.

Was it the unusual character of that transaction which caused you act, or did that have any influence with you in not acting?—at may have had some influence; it was just the combination cumstances—what I had seen in the papers; the unusual kind of ding; the possibility that I might have been misled in the rep-

resentations made to me; all had their influence in inducing me not to put myself in a position where I might be compromised in the future, if there was anything wrong about it, and if the facts should afterward come out.

Q. Was it understood, at that time, that there was something questionable about that account of $126,000?—A. No, sir; I do not know that I heard anything of that kind among the directors.

Q. Did you have suspicions of that kind in your own mind?—A. I stated, the other day, the rumors which I had seen in the papers, and these, together with the unusual mode of doing the business, excited suspicion in my mind, of course.

Q. You did not care to know if anything wrong had been done?—A. No, sir; I did not want to. If there was anything of the kind, I did not want to have anything to do with it. I did not know how I might be compromised if there was anything wrong, and I determined to keep clear of it. It may have been an injudicious conclusion on my part, but I am better satisfied to-day that my conclusion was correct than I was at the time.

By Mr. HOAR:

Q. You said, the other day, that you retired, leaving the other members of that committee in a room by themselves?—A. I went across the hall to the room, and told those gentlemen that I should decline to act.

Q. Thereupon you left the room?—A. Yes, sir.

Q. Did you leave the building after that, or did you go back to the treasurer's room again?—A. I went to the directors' room.

Q. Was that the room where this witness, Spence, was?—A. He was in an adjoining room; the rooms opened into each other.

Q. Did you see again these gentlemen of the committee after they came out of the committee-room?—A. Undoubtedly I must have seen them, because they went in and out of the directors' room.

Q. Did you see any of the checks drawn or that were drawn for that $126,000?—A. I did not; I have no recollection of it. The only possible way in which Mr. Spence's statement may have the color of truth is, that there may have been papers handed me to hand to somebody else.

Q. Did you receive and make use of, or dispose of, in any way, for your own benefit, or that of any other person, any check drawn by him or indorsed by him on that day?—A. No, sir.

Q. In any form or shape?—A. No, sir; unless it may have been in the manner I have stated.

Q. But I speak of using a check for your own use?—A. Then I answer the question specifically, that I did not.

Q. You have no knowledge of any check being drawn on that day, so far as you now remember?—A. No, sir.

Q. You do not know what disposition was made of any check drawn on that day, if any was drawn?—A. I do not.

Q. And you did not make use of any check, or of the proceeds of any check, drawn that day, either for your own use or that of any other person?—A. I did not.

By Mr. SHELLABARGER:

Q. Was there any other Government director at that meeting besides yourself?—A. Yes, sir.

Q. Who were they?—A. I think Mr. Price was present, and my impression is that Mr. Wade was also there.

Was either of those other Government directors put on this com-
ee which you declined to serve upon?—A. Not that I know of.
The 13th section of the act of 1864 contains this provision: "One
aid Government directors shall be placed on each of the standing
mittees of said company, and at least one on every special com-
ee that may be appointed. The Government directors shall, from
to time, report to the Secretary of the Interior, in answer to any
iry he may make of them touching the condition, management,
progress of the work, and shall communicate to the Secretary of
Interior, at any time, such information as should be in the posses-
of the Department." I now inquire whether any of those sus-
ns or apprehensions that deterred you from going on that commit-
ere communicated to the Secretary of the Interior by you at any
?—A. They were not; for I had no definite information on the sub-
to communicate.
But it was sufficiently definite to deter you from acting on the
mittee?—A. It was sufficiently definite to cause me to shrink from
ing myself in a position where I might be compromised by other
lopments. It was partly self-defensive.
The committee would like to have the benefit of any explanation
you may desire to give, as to why it was not your duty under the
Congress instead of shrinking from that investigation, to enter
and make it, and report it to the Department; and now you have
pportunity to give such explanation if you have any to give.—A.
xplanation can only be a repetition, mainly, of what I have said—
I do not regard it as the duty of a Government director to audit the
nts of the company, or to subject himself to positions where he
be compromised, merely because the board conclude to raise a
l committee. It was an unusual course of procedure. If the
should attempt to change its mode of doing business, and should
pecial committees, I do not regard it as the duty of a Government
or to go on and act with every committee that may be appointed.
But here was a committee raised for the purpose of seeing whether
e amount of the assets of this company had been used wrongfully.
not a proper subject for an investigation by a committee of the
ors?—A. I did not understand at the time that that committee was
for the purpose of seeing whether money had been spent wrong-
I heard nothing of that kind. But the committee was appointed
the usual course of business to examine a large account.
These moneys, however, were moneys of the company?—A. I sup-
o.
The question may have been whether they were legitimately ap-
for purposes for which they might be lawfully applied.—A. A
many questions might arise touching the use of the funds of that
ation which do not involve the immediate interests of the Govern-
I understand this, that whatever rights the Government has
this legislation, as against the Union Pacific Railroad Company,
company discharges its obligations, it is not a legitimate subject
uiry for the Government as to what the company does with every
of its money. It has the control of its own finances. If it so
es its affairs that it responds to the obligations which it owes to
overnment, that is a discharge of its duty. On these questions I
differed from a number of the directors ever since I have been
ted with the board.
Is it your view of the obligations of the directors that they ought
inquire into the question whether the funds of the Union Pacific

Railroad Company, including those bestowed by the Government, shall be or have been applied to the purposes for which they were given, to wit, the construction of a great line of railroad and the preserving it in a condition of solvency and strength which would enable it perpetually to accomplish the purposes for which it was created?—A. I do not think that I differ from the views which are suggested by your question.

Q. I want to know whether the United States have not a direct interest in the solvency, strength, and perpetual duration of the Union Pacific Railroad Company, and one which was designed to be secured by providing Government directors who should be disinterested in its affairs?—A. Undoubtedly; and I think that we have endeavored to discharge our duties in that respect.

Q. Then the diversion of any of its means from the fair legal purposes of their bestowal would be a matter in which the Government would be concerned, and after which it ought to look through its directors?—A. It would be the concern of the Government if any of the rights of the Government were likely to be put in jeopardy.

Q. Anything that would affect the solvency of the company would affect the interest which the Government had in it, would it not?—A. Yes.

Q. Then any misappropriation of the funds of the company would affect that solvency?—A. Yes; any misuse of the money.

By Mr. HOAR:

Q. The duty of the Government directors is to report on the management of the institution, is it not?—A. Yes.

Q. And you supposed that it was your duty as a Government director to inform yourself of the character of the investment of the funds of the company, in order to make that report?—A. I have endeavored to do so.

Q. I understood you to state that you had seen in the papers intimations to the effect that moneys had been used, or might have been used, with a view of corruptly influencing legislation.—A. No, sir; I did not state that.

Q. What were the intimations in the papers?—A. I cannot recall them specifically. They were just such reports as you usually see in the papers when Congress is in session.

Q. But there was something which you did not wish to know, and did not wish to connect your name with?—A. Undoubtedly. I did not wish to connect my name with anything wrong, nor to put myself in a position where I might be compromised by developments subsequently, and of which I had no knowledge at the time.

Q. Therefore you refrained from knowing the character of those transactions further?—A. Not from knowing.

Q. If you had gone on that committee you would have learned the character of that expenditure?—A. I do not know. That was one of the points to be considered by me, whether I might have been misled by representations made.

Q. Did you not think that hearing the only statement that was made to any of the authorities of the company, as to what that $126,000 had been expended for would have helped you to learn something about it?—A. It might.

Q. Did you not think that it was your duty, as a Government director, charged with the function of ascertaining and reporting to the Government the management of this road, to know, if you could, whether or not its funds were used for the purpose of corrupting legis-

lation, and to report it if you found it out?—A. I certainly should have reported it.

Q. Did you not think that it was a part of your duty to know that fact, if it existed, and to report it?—A. I do not see that I can change the answer which I have given. These various several considerations entered into my mind at the time. I have found it difficult, since I have been a Government director, to ascertain very much about the details of the affairs of the company—the same difficulty which, I think, the gentlemen of this committee have discovered to some extent in pursuing this investigation.

Mr. HOAR. We have not found it so difficult as I wish we had found it.

The WITNESS. I had not the power which the committee had. I could not send for persons and papers. You have had the aid of the power of the House of Representatives, and still you have found difficulties in pursuing this investigation.

Q. What I want to know is whether the fear that there might turn out in the future to be something wrong connected with that transaction had anything to do with influencing you in declining to know about it?—A. It had. It was one of the considerations.

Q. Then I want to know whether you do not think that it was your duty, if there was anything wrong of the kind indicated, to know it if you could, and to report it to the Government?—A. As I have already stated, it was not within the scope of what I regarded as the duty of a Government director.

Q. But was it not your duty to inquire into the character of an account as to which there might be a question whether it was employed for the purpose of corrupting legislation?—A. That may have been a duty; and at the same time I may have acted there, as men frequently do in the presence of what may be absolutely a duty, from a little overcaution. I may have been affected more by what I regarded as necessary in protecting my own position.

By the CHAIRMAN:

Q. How could you have been compromised if you had acted with that committee, and learned the facts and reported them to the Secretary?—A. That is not the idea at all which I intended to convey.

Q. Well, lest there might be a construction put upon your testimony which you do not desire it to bear, I put that question to you.—A. If I had discovered anything wrong, I should have embraced it in our next report. I have endeavored to prevent anything that I knew to be wrong in the affairs of the company, and I have been in a great many controversies with members of the board over their policy.

By Mr. SLOCUM:

Q. Who had control of the road at the time of this occurrence?—A. Mr. Thomas A. Scott was president. I think Mr. Scott was elected at that meeting. Mr. Oliver Ames was president prior to that.

The examination of BENJAMIN W. SPENCE was resumed, as follows:

By Mr. HOAR:

Question. Are you in the employment of the Union Pacific Railroad Company now?—Answer. No, sir.

Q. When did you cease to be in its employment?—A. I left there in June, 1871.

Q. For what reason did you leave?—A. On account of a change in the treasuryship, I suppose.

Q. In whose employment are you now?—A. I am not in the employment of any one. I am attending to my own business.

Q. Did you leave Mr. Williams's employment at that time?—A. Mr. Williams left before I did. I remained a month or two after Mr. Williams left.

Q. Were you discharged, or did you resign?—A. I resigned.

Q. Did you resign of your own volition, or were you asked to resign?—A. I saw that Mr. Rollins, who was treasurer-elect, wanted to have somebody else in my position, so I gave him a chance to put somebody else there, and I resigned.

Q. Who took your place?—A. I cannot recollect his name just now; he was connected with some newspaper in Concord, New Hampshire.

Q. Did you have any difficulty with Mr. Rollins, or did they find any fault with you?—A. No, sir; never.

Q. What I want to get at is whether you were discharged on account of any difficulty with the officers of this company?—A. I had no difficulty. If the committee will allow me, I would like to put in a paper which I have here, which may perhaps explain that there was no ill-feeling when I left.

The witness handed to the committee a paper which was allowed to be put in evidence, and which is as follows:

UNION PACIFIC RAILROAD COMPANY, SEARS BUILDING,
Boston, April 29, 1871.

Mr. B. W. Spence has been employed in this office for the past two years as chief clerk and cashier, and the undersigned take pleasure in recommending him as a gentleman of excellent character and a superior accountant.

We have full confidence in his integrity and ability, and feel assured that he will perform any duty he may undertake to the satisfaction of his employers.

OLIVER AMES.
JOHN B. ALLEY.
ELISHA ATKINS.
JOHN M. S. WILLIAMS.
E. H. ROLLINS,
Treasurer and Secretary.
H. B. WILBUR,
Auditor.

Q. Was Mr. Alley a director at that time?—A. I think not.

Q. Have you any difficulty or hard feeling with any of the gentlemen who are now or have been connected with the management of the road?—A. No, sir; not the least, except it may be, perhaps, Mr. Rollins; for he told me that if he were elected treasurer of the company he should use his influence to have me appointed assistant treasurer; but he did not do so.

By Mr. OAKES AMES, (with the permission of the committee:)

Q. Did you not bring a suit against the company, after you left, for extra pay?—A. I did.

Q. Did you not make a claim upon Morton, Bliss & Co., of New York, for a bonus for correcting a mistake which you had made yourself?—A. No, sir.

Q. Did you not hide some coupons, and afterward write a letter to Morton, Bliss & Co., claiming a reward for correcting a mistake that you made yourself?—A. No, sir; I never did.

(Witness here handed to the chairman two newspaper slips.)

By the CHAIRMAN:

Q. Do these slips have a reference to the question put by Mr. Ames, in reference to your suit against the company?—A. Yes, sir.

Q. Where was that suit brought?—A. In the superior court at Boston, and it was appealed by the company to the supreme court, and was tried there, and I recovered in that action.

Q. Do you recollect the amount which you recovered against the company?—A. Two thousand two hundred and sixty-seven dollars.

Q. Read those slips to the committee.

A. (Reading:)

Supreme judicial court, October 2.—Before Judge Gray.

Benjamin W. Spence *vs.* Union Pacific Railroad Company.—Suit to recover $4,830.61, alleged balance due for services as cashier of said company from June 20, 1869, to May 23, 1871, at the salary of $2,500; and also for extra services rendered as auditor, assistant treasurer of the trustees, and assistant treasurer of the company. Defense: That they never agreed to pay for any extra services, and owe only for services as cashier. Testimony concluded.

William Gaston and J. B. Richardson for plaintiff; David Thaxter for defendants.

Supreme judiciary court.

Verdict against the Union Pacific Railroad Company.

In the case of B. W. Spence *vs.* the Union Pacific Railroad Company, the jury have returned a verdict of $2,267 for the plaintiff.

The action was brought to recover $4,800 for two years' services as chief clerk and cashier. The plaintiff contended that he was hired in the double capacity of clerk and cashier. The defense was that the plaintiff was hired only as clerk, and that he had been paid in full for such services.

By Mr. SWANN:

Q. Have you stated to the committee the immediate cause of your resignation?—A. Yes, sir.

Q. Were you satisfied that you were in such a position there, witnessing the operations that were going on there, that you would have preferred not to remain there as an officer of the company? Would not any other place have been more agreeable to you?—A. Yes, after Mr. Williams resigned. I felt a confidence in him, knowing his character and standing; and while he remained, I wanted to stop; but after he left, it was immaterial to me whether I remained or not.

Q. I understand you to mean that the proceedings were of so irregular a character that you had no desire to be connected with the company any longer?—A. I did not care to know any more than I did, and know a good deal more than I wish I had known.

Q. There were a good many transactions there which you did not feel authorized to approve?—A. It would not be competent for me, in my position, to have anything to say to them; I was not a bonded officer.

Q. Did you not feel in your position there, as an honest, upright, man, that you would prefer to occupy some other position?—A. Yes, sir.

Q. Rather than witness developments that were going on there from day to day?—A. Yes, sir.

Q. And did not that feeling have its weight upon you in resigning? A. I do not know that I would say that; I had not thought of that much then as I have thought of it since.

Q. But you say from what you know now, and reflecting on the tra actions that took place there, that you would have felt more comfortab to be out of it?—A. Yes, sir; I would rather be in some other positi with less pay.

By Mr. HOAR:

Q. I understood you to say that Mr. Rollins had promised that if were elected treasurer he would have you elected assistant treasurer. A. He said he would use his influence to have me elected.

Q. You desired, of course, that he should do so?—A. Yes, sir.

Q. Then there is no doubt that you wanted to continue with the co pany if Mr. Rollins had kept his word?—A. Not in the capacity tha was then in.

Q. You do not profess to come here now and say that you had moral disapprobation of the proceedings which made you wish to g out of that employment?—A. No, sir.

Q. You would have staid in that employment if you had got the po tion of assistant treasurer?—A. Yes, sir; if I had had that position a the pay.

Q. And you left without any hard feeling against any member of t company except Mr. Rollins, who did not keep his word with you?— Yes, sir.

Q. Has there been no ill-feeling growing out of this suit?—A. Th was after I left.

Q. In the trial of this suit, did you conceive that you were treat unjustly by the company in its resisting your just demand?—A. Th all went into court and swore against me. I went in single-handed.

Q. What I want to know is, whether there is anything in your pres state of feeling which makes you have a dislike to those gentlemen. A. None at all. I would like to shake hands with all of them.

Q. Was there no hard feeling growing out of this suit on your p toward them, or on their part toward you, so far as you know?— No, sir.

By Mr. SWANN:

Q. I understood you to say that you would rather be out of the co cern, and that that had its influence with you in resigning?—A. I not know that I said that exactly. I do not think that that influenc me to send in my resignation; but I have said that since I left I wou rather not have any connection with the office.

Q. What amount was the treasurer in the habit of drawing in blank? A. The checks were in blank. Mr. Williams would sign up ten or a doz pages or more, but they were all in blank. I could have drawn out the funds of the company at any time by my signature. All the fun of the company were subject to my order.

By the CHAIRMAN:

Q. How, or through what banks, were those checks collected?— The $24,500 check was collected through Gillman, Son & Co., Ne York, through the National Bank of the State of New York, and th $196,000 check was collected through the Girard National Bank, Philadelphia.

(The committee here took a recess till 7 p. m.)

WASHINGTON, D. C., *January* 28, 1873.

EVENING SESSION.

BENJAMIN F. HAM'S examination resumed.

By the CHAIRMAN:

Question. State again, so that we may have the statement in connection with your present testimony, what were your relations with the Union Pacific Railroad Company.—Answer. I was auditor of the Union Pacific Railroad Company from January, 1867, until October, 1870.

Q. State what, if any, relation you held to the Credit Mobilier.—A. I have been assistant secretary and treasurer from May, 1867, until the present time, with the exception of a little over a year.

Q. When was that?—A. (Referring to the record.) From December, 1868, until May, 1870, I was not an officer of the Credit Mobilier at all.

Q. Were you an officer or employé of those trustees at any time?—A. No, sir.

Q. State what work was done by the Credit Mobilier in the way of construction of the Union Pacific Railroad, and under what contracts it was done.—A. The work under the Hoxie contract was done before I had anything to do with it. It was finished in 1866, before I came to New York. There was also finished previous to my coming to New York fifty miles in addition to the Hoxie contract; and after my connection with the company commenced the Credit Mobilier did nothing in the way of building the road.

Q. Are you familiar with the books of the Union Pacific Railroad Company and of the Credit Mobilier?—A. Yes, sir.

Q. State what it cost the Union Pacific Railroad Company to build that portion of its road between the Missouri and the one hundredth meridian under the Hoxie contract.—A. It cost them $50,000 per mile; that was the contract price; and then it also cost them other necessary expenses, keeping up the organization, losses, discounts on the securities, &c.

Q. Give the committee the figures.—A. I cannot, without referring to the books.

Q. Refer to the books, then.—A. Up to the 30th of March, 1867, the cost was represented by $14,290,835.90.

Q. That was the cost up to the 100th meridian?—A. Yes, sir. Of course I cannot state that cost was all incurred just up to the 100th meridian, because there might have been some disbursements appearing in the account which would apply beyond that.

Q. I want to know the cost up to the 100th meridian, if you can give it.—A. I cannot give it; it cannot be separated.

Q. Can you give the cost up to the end of the 58 miles?—A. No, sir; I cannot divide it. I can give you the cost of the entire road, though.

Q. Can you tell what each one of those contracts cost?—A. I can tell you what each contract was. The contract was for so much; but I can tell you also that there were other expenses, preliminary surveys and other preliminary expenses, which had been incurred up to that time and which extended away beyond.

Q. In this $14,290,835.90 is there included an item of $2,000,000, for which a note was given?—A. Yes, sir.

Q. When is the last item before that $2,000,000 note?—A. In the early part of 1867, the account between the Credit Mobilier and the Union Pacific Railroad Company was adjusted, and the Union Pacific Railroad Company directors passed a resolution acknowledging the indebtedness,

two million and some odd thousand dollars. That remained some time, until it was necessary to use this note, and then the note was given on that account.

Q. Please find that on the records of the Union Pacific Railroad Company.—A. (Reading.) "March 28, 1867. Mr. Sherman reported as follows: The committee to whom the account with the Credit Mobilier was referred report that the vouchers for an item which at our last report was not furnished have been now produced, and we have examined them and found them satisfactory. We therefore report that there was due on the Hoxie contract on the 31st of January, 1867, $1,994,769.96, which, when paid, should be a full and complete settlement of that contract for the construction and equipment of the road from that point to the 100th meridian. On motion, the report was accepted and the account ordered to be paid." Now this balance had been made up by me, on behalf of the Union Pacific Railroad Company, and by Mr. Crane, who then represented the Credit Mobilier, before I had anything to do with the Credit Mobilier. We had come to this as the balance due on that contract, and it was adjusted then by the directors of the Union Pacific Railroad Company and acknowledged as a credit.

Q. That, then, makes the cost of the road from Omaha to the 100th meridian $14,290,835.90?—A. No, sir; I did not so state. I stated that there might be charged in that $14,290,835.90 some money that was expended on the road beyond the 100th meridian.

Q. Give us the amount that had been paid out on the Hoxie contract prior to that time.—A. The amount paid on the Hoxie contract up to the 30th of March, 1867, was $13,381,342.33.

Q. Is this amount that was allowed by the board in that sum?—A. That was the balance.

Q. Was this $1,994,769.96 embraced in that $13,381,342.33?—A. Yes; but there was another item. There was an item of $406,926.09 for interest. That should be deducted from the $13,381,342.33.

Q. That leaves $12,974,416.24; that amount had been paid up to what time?—A. Up to the 1st of January, 1867.

Q. You observe that that resolution which you read a moment ago only embraces the road between the one hundredth meridian and Omaha?—A. Yes, sir.

Q. They found out in some way how much was due on the Hoxie contract at that time, did they not?—A. What they did was to take the money that they had paid Hoxie, and which was already charged to him in the books, and credited him with this item, and that left the balance so much.

Q. State now how much it cost the company to build the road under the Hoxie contract from Omaha to the one hundredth meridian?—A. Twelve million nine hundred and seventy-four thousand four hundred and sixteen dollars and twenty-four cents. That was the amount adjusted between the two companies.

Q. Have you the exact length of the road from Omaha to the one hundredth meridian?—A. Yes, sir; 246.72 miles.

Q. That, at $50,000 a mile, amounts to what?—A. Twelve million three hundred and thirty-six thousand dollars.

Q. That makes the Hoxie contract cost the company $638,416.24 more than the contract price?—A. No, sir; it does not; because it was stipulated in the contract that the company should pay certain extras, and they did pay them.

Q. That is the way you account for the difference between the contract price and what was paid?—A. Yes, sir. The contract provided

that if any of the bridges cost over $85,000, they would pay the difference; and there was one bridge that cost over $167,000. They paid also for burnetizing the ties and timbers; that was $20,000; and there was also extra cost of transportation. The company abandoned part of the line, too, and Mr. Hoxie was paid for work on that abandoned line, $70,000.

Q. Do you mean that that was paid to Mr. Hoxie, or to the Credit Mobilier?—A. It was paid under the Hoxie contract.

Q. It was paid to the Credit Mobilier?—A. No, sir; it was paid under the Hoxie contract.

Q. Who had that contract?—A. That was before I had anything to do with it; it was before I came.

Q. As a matter of fact, the Hoxie contract was transferred to the Credit Mobilier?—A. Mr. Crane can tell you that positively.

Q. It was paid on that contract, at all events?—A. Yes, sir.

Q. What did it cost the company to build the next fifty-eight miles of road?—A. That I cannot tell you.

Q. Before passing from that, tell us what it cost the Credit Mobilier to build the road up to the one hundredth meridian.—A. Seven million eight hundred and six thousand one hundred and eighty-three dollars and thirty-three cents.

Q. Did the Credit Mobilier make other profits beyond the one hundredth meridian?—Yes, sir; under the Oakes Ames contract they were entitled to the profits on fifty-eight miles.

Q. How much were they?—A. There was $1,104,000, I think, paid on account of that. It never was adjusted.

Q. That is what it was estimated at?—A. No, sir; that is simply a sum that the trustees wanted to pay the Credit Mobilier, and they paid that much. I do not know just how that was made up, but I know that was the sum that was paid.

Q. Can you tell how much money was paid out on that fifty-eight miles by the Union Pacific Railroad Company, or by the Credit Mobilier, in its construction?—A. No, sir; I cannot.

Q. Is there any mode by which that can be ascertained from the books?—A. I don't think there is.

Q. So that there is no way of ascertaining the cost of construction of the fifty-eight miles?—A. No; I don't think there is.

Q. All that you can tell about it is that in an adjustment between the Credit Mobilier and these trustees there was $1,104,000 awarded to the Credit Mobilier as profits upon that fifty-eight miles of road?—A. It was not an adjustment.

Q. What was it?—A. It was simply so much paid on account.

Q. Does the Credit Mobilier claim that there is anything more coming to that corporation on that account?—A. It has been claimed that it should be adjusted when the final settlement came.

Q. How is it proposed to be adjusted?—A. I don't know.

Q. Is there any mode by which it can be adjusted except by a guess?—A. I don't know that there is; possibly there may be; I don't know how to get that fifty-eight miles by itself; I might have done it four or five years ago, but it would be a pretty difficult matter now.

Q. On the 15th of November, 1867, or before that time, had you made up an account of the profits made by the Credit Mobilier up to that date?—A. I don't know that I had.

Q. Look at that letter-book and say if you wrote that letter, and then state to what you referred in that letter, if you did write it.—A. (Refer-

ring to the letter.) I may have made up such a statement as that, b it would have been only an approximate statement.

Q. Will you please read that letter?—A. (Reading)—

"CREDIT MOBILIER OF AMERICA,
"*New York Agency, November* 15, 1867.

"DEAR SIR: Inclosed herewith I send you statement of the affairs the Credit Mobilier of America to September 30; also statement cost of road east of the one hundredth meridian, and will send you, in day or two, statement of what the road has actually cost, being amou expended by both Credit Mobilier of America and Union Pacific Ra road Company.

"Respectfully,

"BENJAMIN F. HAM,
"*Assistant Secretary.*

"J. M. S. WILLIAMS, Esq.,
"*Boston, Massachusetts.*"

Now, I have no recollection of ever making up that statement tha said I would send him. If I did, it would have been an approxima statement. I could have made up a statement, such as I have made you, of the cost of the road to the one hundredth meridian, and it possible that that was the statement I referred to there—the cost be to the company and to the Credit Mobilier.

Q. You have no recollection of making up any such statement?—A No, sir; I have not; but if I did make one it would probably be to t one hundredth meridian and nothing beyond that. That would be ea enough. I have given you the figures here.

Q. What did the Oakes Ames contract cost the Union Pacific Ra road Company?—A. That has never been settled.

Q. As far as it has been settled what has it cost the company?—A There has been simply so much paid on account. It never has be settled.

Q. Read the resolution shown you.—A. (Reading.) "Mr. Bushn offered a resolution that the treasurer pay over to the Credit Mobili of America, in accordance with the provisions of the contract of Oak Ames with the Union Pacific Railroad Company of August 16, 1867, a the assignment to the trustees, the sum of $1,104,000, or a sufficient su to enable them to make the stock of the Union Pacific Railroad Co pany held by them full paid. Carried unanimously."

Q. What do you understand that resolution to mean?—A. It mea that they paid over so much money to the Credit Mobilier, and t Credit Mobilier took that money and paid it to the Union Paci Railroad Company on account of stock that they held. It was 30 p cent. stock. The Credit Mobilier held a lot of Union Pacific Railro Company's stock; there was 30 per cent. paid on it, and they took th amount there and made the stock full paid.

Q. Can you show by the books of the Union Pacific Railroad Co pany that that money went into that company?—A. January 4, 18 the contractors subscribed for 22,960 shares. The Credit Mobilier su scribed and paid 70 per cent. on 15,886 shares.

Q. Explain just how this thing was done. You say that th $1,104,000 was paid to the Union Pacific Railroad Company by th Credit Mobilier?—A. Yes, sir; they paid so much. They did not pa $1,104,000; they paid $1,111,670 and $4,000.

Q. How did they pay that?—A. They took the $1,104,000 that th got from the trustees, and I don't know how they paid the balance.

Q. Do you mean to say that they paid over in actual cash $1,104,000?—A. I don't mean to say that they paid greenbacks or gold either.

Q. Tell us how they did it, then.—A. They probably paid over checks; I don't know.

Q. Did the Union Pacific Railroad Company at that time owe the Credit Mobilier?—A. No, sir; they owed the Oakes Ames contract, and they paid them, as you will find, on the same day, $6,800,000.

Q. How were those amounts paid?—A. I don't know whether there were any checks used or not. I was not the treasurer of the concern. I don't know whether there were checks given, or whether there was simply a receipt given for that amount, and then a receipt given for this amount.

Q. How much stock of the Union Pacific Railroad Company did the Credit Mobilier hold at that time?—A. They probably held this amount, 15,836 shares of 30 per cent. stock, and also that five shares, though that was fifty shares really.

Q. On that amount of stock $30 on the hundred had been paid?—A. Yes, sir.

Q. And when this $1,104,000 was paid over by the trustees to the Credit Mobilier, the Credit Mobilier made a payment, you say, of 70 per cent. on that stock?—A. Yes, sir; so as to make that stock full paid.

Q. Do you think that was all of the stock that the Credit Mobilier held at that time?—A. They may have held a few shares of full-paid stock at that time.

Q. How did those contractors get those 22,960 shares of stock?—A. They subscribed for it.

Q. In what way?—A. I think Mr. Crane subscribed for it as secretary of the Oakes Ames contract—subscribed for it on the subscription-book—new shares. Mr. Oakes Ames in his contract agreed, I believe, to procure subscriptions to the capital stock.

Q. Then the trustees, standing in the place of Oakes Ames, took those 22,960 shares on account of that contract, did they?—A. That is the view you may take of it.

Q. That is the plain English of it?—A. No, sir; because the charter prohibited them from taking anything for stock except cash. We paid cash, received cash, and put it down as cash.

Q. Do you pretend to say that they paid over, dollar for dollar, the amount of money that is represented by these 22,960 shares?—A. I think they drew checks.

Q. But you said they paid cash.—A. Well, a check is considered cash.

Q. You say the charter required that cash should be paid for stock?—A. Yes, sir.

Q. And do you mean to say that that was cash?—A. I mean to say that I was not the treasurer of the concern.

Q. Who made this entry?—A. The book-keeper.

Q. He was under your direction?—A. Yes, sir.

Q. Then I repeat the question: Do you mean to say that that was cash?—A. I don't mean to say that greenbacks passed.

Q. Didn't they get that stock on account of road-building; don't you know that that was the case?—A. I know it was estimated that there was so much due them on the contract, $6,800,000, and that was paid to them. That was the way of it.

Q. Paid to them how?—A. I have told you that I don't know whether checks passed or not; I did not have charge of that transaction; I was not the treasurer, and I did not have the matter under my charge.

Q. Who was the treasurer at that time?—A. Mr. John J. Cisco; I know, though, that if it had been necessary to bring in the greenbacks there they could have been brought in and paid over.

Q. And they could have been taken out again also?—A. Yes, sir; and the checks could have been deposited in bank.

Q. But there might have been no money to meet them?—A. I draw my checks every day when there is no money in the bank.

Q. Now, was not this all a paper transaction?—A. It may have been so.

Q. Was it not simply an exchange of checks and receipts?—A. It may have been so; I didn't dispute that.

Q. Don't you know that that was the way?—A. No, sir; I don't know it.

Q. Were you not familiar with those things at that time?—A. No, sir; I was not familiar with what the treasurer did.

Q. Where was the treasurer's office?—A. It was right there in the same building.

Q. In the same room?—A. Yes, sir; in the same room, in the same office; I acknowledge all that.

Q. Is it possible, then, that this could have been done without your knowing how it was done?—A. Yes, sir; it is possible that there might have been checks, or that there might not have been checks.

Q. Is it probable?—A. Yes; it is probable that there were.

Q. Is it the fact that this transaction was gone through with there, and you did not know how it was done?—A. Yes, sir; it is a fact that I don't know the particulars at this late day. I might have been able to tell you three or four years ago, but I don't keep these books and transactions in my memory. I have sufficient business of my own to attend to without doing that.

Q. This was your business then?—A. Yes, sir; but it is not now. That $6,800,000 was due in cash.

Q. And if these parties had paid in the cash for that stock the cash would have been there to pay that sum?—A. Yes.

Q. But they did not pay in the cash, did they?—A. At the distance of five years I can't state what they did do.

Q. Do you say now that the money was ever paid on that capital stock?—A. Do I say that there was any real money handed in?

Q. Yes; that is the question.—A. No, sir; I don't assert any such thing.

Q. Do you know that there was any real money paid in on that stock?—A. No, sir; I do not.

Q. What is your best impression?—A. My best impression is that checks were exchanged.

Q. State now what the Oakes Ames contract—I am speaking of the 667 miles—cost the Union Pacific Railroad Company.—A. That has not been adjusted.

Q. How much has been paid on that 667 miles?—A. Fifty-eight million four hundred and seventy-five thousand eight hundred and seventy-eight dollars and forty-four cents. That is what the books show.

Q. Do you know whether there is anything yet due on that contract?—A. No, sir; I do not, until the engineer makes his final estimate. I presume there is a little balance due to the Oakes Ames contract.

Q. Can you give an estimate of the amount?—A. No, sir; I cannot.

Q. How much did that 667 miles of road cost the trustees?—A. That I can't state. I did not keep the books, and I had nothing to do with

them. I had nothing to do with those books of the trustees in any way, shape, or manner.

Q. When payments were made on account of the Oakes Ames contract they covered the whole extent of the 667 miles, did they?—A. Yes, sir.

Q. How much money did the Davis contract cost the Union Pacific Railroad Company?—A. That has never been settled. I can only give you the amount that has been paid on it. I see, on looking at the ledger, that there is another one which follows this and which is not here, so I cannot tell you the whole amount. This one shows the amount that was paid up to the time the books went to Boston.

Q. How much was that?—A. Five million two hundred and fifty-nine thousand one hundred and eighty-two dollars and ninety-five cents. That is, up to the 19th of March, 1869.

Q. Is that all the information you can give us as to the cost of that contract to the Union Pacific Railroad Company?—A. If the other ledger was here I could tell you the exact cost. The books will show when you get them here—though I had nothing to do with that.

Q. How many miles are embraced in the Davis contract?—A. I don't know; the balance of the road is embraced in it.

Q. Turn now to the books that show the dividend that was paid by the Credit Mobilier.—A. There are no books that show it; nothing but receipts taken from the stockholders to the amount of the dividend. The dividend is all that was made. An impression has been conveyed that the Union Pacific Railroad Company did not owe the Credit Mobilier anything. I want it to be understood that they did owe them, and they owe them to-day. That account has never been settled.

Q. How much profit was made by the Credit Mobilier on the Hoxie contract, and what they received on the fifty-eight miles west of the one hundredth meridian?—A. The amount of profit they have received $6,272,232.91.

Q. And, as I understand you, there is more to be received?—A. A small unadjusted balance.

Q. What has been done with that amount of money which they made profit?—A. Some of it was paid for Union Pacific Railroad bonds, which they (the Credit Mobilier) gave to their stockholders when they made their subscriptions to the increased capital.

By Mr. HOAR:

Q. What was the capital stock at that time?—A. Nominally it was two and a half millions, but it was not that actually.

By the CHAIRMAN:

Q. What was the actual capital stock of the Credit Mobilier when they made that $6,272,232.91 profit?—A. Three million seven hundred and fifty thousand dollars; no, not quite that; it was $2,500,000 at that time; this was on the 1st of January, 1867; on that day it was $2,449,165, less $29,000. It lacked one hundred shares of being $2,500,000.

Q. At the time when it was ascertained that they had made this amount of money?—A. Yes, sir.

Q. Tell us what was done with this profit that they made.—A. They purchased $1,125,000 bonds of the Union Pacific Railroad Company, which they gave to their stockholders to get them to take some new stock.

Q. How much new stock was taken?—A. One million one hundred and twenty-five thousand dollars.

Q. In other words, they increased their capital stock $1,125,000, and to induce the stockholders to take that amount of increased stock they gave each stockholder a $1,000 bond of the Union Pacific Railroad Company?—A. Yes, sir.

Q. What became of the balance of that profit?—A. Then they divided this Union Pacific stock on this dividend.

Q. How had that six millions and upward of profit been paid to that contracting company?—A. Well, they had on hand a large amount of stock; they did not have it all on hand at once.

Q. Did they have that much in money on hand at once?—A. No, sir; because they had sold or disposed of it.

Q. What do you mean by saying they had sold it?—A. I mean to say that they sold a lot of that stock to their stockholders.

Q. Didn't they just divide it among the stockholders?—A. That was done before I had anything to do with the concern. Mr. Durant can explain that transaction to you.

Q. Well, that $6,272,232.91 of profit was disposed of in some way, was it not?—A. Yes, sir.

Q. Do those books show how it was disposed of?—A. Yes, sir.

Q. Then tell us how it was disposed of.—A. According to my understanding of the case, they had a large amount of stock which the company held, on which there had been 30 per cent. paid, and which they sold to the stockholders at 71, they agreeing to pay the 70 per cent. themselves.

Q. You call that a sale; was it not a divide?—A. That was done before I had anything to do with the concern.

Q. Then how do you know it was a sale?—A. Because Mr. Durant says it was sold, and he was president of the concern.

Q. You have stated that there was a profit of six millions and some odd thousand dollars. Now I ask you what they did with that profit, and you say they sold certain things to their stockholders.—A. I say they sold a large amount of Union Pacific Railroad stock, and I am telling you my understanding of the case as I had it from the officers of the company. This stock was $30 a share paid; they sold it at 71; the men receiving it agreeing to pay the additional 70 themselves.

Q. Did those men pay in that additional 70?—A. Then this corporation had a lot of scrip, which they sold to these men at 5 per cent. of its par value, and these men took that and made that stock full paid.

Q. Did not this $6,272,232 of profits belong to the stockholders of the Credit Mobilier?—A. It belonged to the corporation.

Q. Then they were selling it to themselves?—A. Yes; they sold that to each stockholder in proportion to the amount that he had in the Credit Mobilier. They sold it to them at $71 a share.

Q. Then the stockholders paid in $70 a share?—A. No, sir; there was $70 a share unpaid on the stock, and they agreed to pay it themselves.

Q. To pay it where?—A. To the Union Pacific Railroad Company—not to the Credit Mobilier.

Q. Did they pay it to the Union Pacific Railroad Company?—A. Every man turned in scrip. He received scrip from the Credit Mobilier, and he turned in scrip to the Union Pacific Railroad Company to make his stock full paid.

Q. I repeat the question, what disposition has been made of this profit, amounting to $6,272,232.91?—A. Well, they purchased bonds and stock of the Union Pacific Railroad Company with that money; then they

sold the stock, a portion of it, to their own stockholders; they divided some of it, and they also gave the bonds to their stockholders.

Q. How much stock did they purchase?—A. The company purchased $3,310,700 of scrip.

Q. What does that scrip represent?—A. It is stock scrip, convertible into stock.

By Mr. HOAR:

Q. Those amounts are the nominal values?—A. This is the par value, and that is what they paid for it.

By the CHAIRMAN:

Q. How much did they purchase?—A. They purchased 1,037 first-mortgage bonds, and they paid $880,450 for them.

Q. What do the items foot up?—A. Seven million ninety-two thousand one hundred and fifty-two dollars.

Q. Where did the excess over the amount of profit come from?—A. Some of it is in the capital.

Q. That was a part of the capital?—A. Yes, sir; they have got some of it on hand at present.

By Mr. SHELLABARGER:

Q. At what date did this occur?—A. They purchased this scrip and stock along at different times; from the very beginning of the company they commenced buying up these old $1,000 shares of the Union Pacific Railroad Company, and they continued to buy it.

By the CHAIRMAN:

Q. How did they buy it?—A. They bought it and paid for it with money. They took the money they received for their capital stock and bought stock of the Union Pacific Railroad with it.

Q. At what rate?—A. Par; dollar for dollar.

Q. Can you show on the books of the company where that money was paid in?—A. No, sir; because they did not buy it from the Union Pacific Railroad Company, but of Thomas, Richard, and Henry—John Doe and Richard Roe—the men who held it. I can show you where John Doe and Richard Roe paid the money in, but I cannot show where the Credit Mobilier paid it in, because they paid the money, not to the Union Pacific Railroad Company, but to John Doe and Richard Roe.

By Mr. HOAR:

Q. You are now speaking of the original two millions of dollars?—A. No, sir; I am speaking of the original subscriptions to the Union Pacific Railroad Company.

By the CHAIRMAN:

Q. Made by whom?—A. Persons all over the country.

By Mr. HOAR:

Q. I ask you if you are now speaking of the original $2,000,000 which was subscribed before the company went into operation under the act on which 10 per cent. was paid in by the original subscribers; that the stock, or part of the stock, which was purchased by the Credit Mobilier, as you have stated?—A. I don't know what the amount was that was necessary to make the organization of the Union Pacific Railroad Company proper; I don't remember whether it was $2,000,000.

Q. There were $2,000,000 required to be subscribed; in point of fact

there were about $100,000 over that; of that 10 per cent. was required to be paid in in cash, making $210,000. That stock, under the act of 1864, was liable, and required to be assessed by the directors of the company at such times as they saw fit, the longest intervals being fixed by the act; and any new subscriber was bound to pay in, at the time of his subscription, as much as had been paid in by those who were original subscribers. Now. is it that original stock that you speak of as the stock purchased of individuals by the Credit Mobilier?—A. Yes, sir.

By the CHAIRMAN:

Q. What was done with what they purchased, stock, scrip, and bonds?—A. As I stated, some of this stock was sold to the stockholders at $71 a share. I am giving you this from the records of the company, for it took place before I came to New York. The scrip was sold at 5 per cent. of its par value to the stockholders of the Credit Mobilier.

By Mr. HOAR:

Q. Do you mean by "scrip" a certificate which was given to a person who had made one or more payments on his stock but had not paid it up in full?—A. No, sir.

Q. What is it?—A. This scrip was just a receipt for so much money; it was called scrip; that is all I know about it; it was done before my time; it did not represent so many shares; it represented so many dollars' worth of scrip, and it was convertible in stock.

By the CHAIRMAN:

Q. If a man had $1,000 worth of that scrip he could get a share of stock?—A. That was not the way of it. If a man had 100 shares of stock on which $30 per share had been paid, he could put in scrip enough to make that full paid. That was the actual fact in regard to that scrip.

By Mr. HOAR:

Q. What transaction occurred which resulted in the issuing of scrip to individuals?—A. It was sold to the individual stockholders of the Credit Mobilier at 5 per cent. of its par value.

Q. Who issued the scrip?—A. It was signed by the Union Pacific Railroad Company; they got par for it.

Q. To what class of persons did they issue the scrip, and for what consideration?—A. The Union Pacific Railroad Company issued it to the Credit Mobilier, and for cash.

Q. You mean that the Credit Mobilier gave the Union Pacific Railroad Company $100, or its equivalent, and they issued to them "scrip" which was a certificate that they were entitled to one share of the Union Pacific Railroad Company stock?—A. No, sir; I mean to say that they gave them a certificate entitling them to $100 worth of stock.

Q. That would be one share?—A. No, sir; that is not the way it was given.

Q. When the Union Pacific Railroad Company issued the scrip, how do you distinguish $100 worth of stock from a share of stock?—A. I have explained that, or attempted to explain it, and I don't know that I can explain it any better.

Q. Be kind enough to repeat the explanation.—A. The explanation was, that this scrip was not put into shares at all; it simply represented so much money, and was convertible into stock.

By Mr. SHELLABARGER:

Q. And it was converted at 5 per cent. of its par value?—A. No, sir.

The Credit Mobilier purchased this scrip at par, and then they sold it to their own stockholders at 5 per cent. of its par value, in proportion to the amount they held of the stock.

By Mr. HOAR:

Q. What do you mean by saying that they purchased it at par?—A. I mean to say just what the books show, that they purchased so much scrip of the Union Pacific Railroad Company and paid for it at par. It was done before I had anything to do with the concern.

Q. Do you mean that the stockholder purchased a certificate that he was entitled to one share of stock, and paid $100 for it?—A. The receipt read this way: "Received from the Credit Mobilier of America so many dollars, convertible into stock of the Union Pacific Railroad Company on presentation." It read like that, or something of that kind.

Q. Were those dollars which they certified they had received actually paid by the Credit Mobilier to the Union Pacific Railroad Company in cash?—A. These books show it. That was before I had anything to do with the concern.

By the CHAIRMAN:

Q. Who did have to do with the concern at that time?—A. This man, Mr. Crane.

By Mr. SHELLABARGER:

Q. A man pays in $100 in money, or the Credit Mobilier pays in $100 in money to the Union Pacific Railroad Company; thereupon they become entitled to a certificate for $100 of this scrip; now, what I want to get at is, what amount of stock in the Union Pacific Railroad Company did that scrip for $100 purchase?—A. It purchased $100 worth of stock.

Q. How many shares?—A. It might have been put into two shares, or it might have been put into three shares.

Q. How many shares did it pay for in full?—A. It never was put into full-paid stock. There never was any of it converted into full-paid stock.

Q. It was used, then, to purchase stock upon which certain payments had theretofore been made?—A. Yes, sir.

Q. What amount had theretofore been paid on it?—A. Some $10 a share, some $20, and some $30.

Q. In purchasing that scrip, the scrip just covered, dollar for dollar, the amount that had in fact been paid in on the stock which it was appropriated to purchasing?—A. In regard to these individual stockholders, they were sold so many shares of stock; then they were sold scrip enough to make that stock full paid.

By Mr. HOAR:

Q. That is, in paying up for stock which had been partially paid for, this scrip was received by the railroad company, you say, as equivalent to so much money?—A. Yes, sir; for the company had received the money for it.

Q. If a man had 10 shares of stock on which he had paid $100, which would be 10 per cent., leaving $900 to pay, then, if he had $900 worth of scrip and carried it to the railroad company, he got his certificate for ten shares of stock?—A. Yes, sir.

Q. That is, the nominal amount which he got in stock was equivalent to the nominal amount which he paid in in scrip?—A. Yes, sir; that scrip was convertible into an equal amount of stock.

By the CHAIRMAN:

Q. You say they sold that to their stockholders?—A. That is what the books show.

Q. I am asking for your statement of it.—A. That is my statement from the books of the company; it was before I had anything to do with it.

Q. State again the rate at which they sold that scrip to their stockholders.—A. Five per cent. of its par value; that is what the books show.

Q. For five cents on the dollar, then, a man would get a dollar's worth of that scrip?—A. The stockholders of the Credit Mobilier would.

Q. They did not sell to anybody but the stockholders, did they?—A. No, sir.

Q. So the stockholder made 95 per cent. there, didn't he?—A. No, sir; the stock of the Union Pacific Railroad Company was not worth par.

Q. What was it worth?—A. Well, those who, like Oakes Ames, held on to it, I doubt whether they will get anything out of it.

Q. What was it worth at that time?—A. It had no value; there was none in the market.

Q. Then that was the way in which the Credit Mobilier got rid of that stock?—A. Yes, sir.

Q. A stockholder paid into the treasury of the Credit Mobilier $5, and took, in return for that $5, $100 worth of scrip?—A. Yes, sir.

Q. How was it with the stock that the Credit Mobilier had?—A. They sold it at $71 a share, and the man who got it was to pay the $70 himself.

Q. Pay it to whom?—A. To the Union Pacific Railroad Company.

Q. And they all paid that to the Union Pacific Railroad Company?—A. They all paid it in scrip.

Q. And that scrip they got from the Credit Mobilier at 5 cents on the dollar?—A. Yes, sir.

Q. And they got stock at the same time, and paid for that stock with scrip for which they had paid five cents on the dollar?—A. They got 30 per cent. stock. The real result of it was that these stockholders paid $4.50 a share for their stock. I would just as soon tell it to you plainly as any other way, because you can figure it out for yourself.

By Mr. SHELLABARGER:

Q. How much of this stock was purchased?—A. About $5,000,000 of that stock was sold at that time.

By the CHAIRMAN:

Q. At $4.50 a share?—A. Yes, sir.

Q. What about the bonds?—A. They purchased $1,037,000 of the bonds.

Q. From whom?—A. From the Union Pacific Railroad Company.

Q. How much did they pay for those bonds?—A. With the money they received from their stockholders on their increased subscriptions.

Q. What did they do with the bonds?—A. They gave them to the men who took this increased stock. They says: Now, gentlemen, we have got to have some more money. The gentlemen did not want to furnish it. They says then: If you will come in and subscribe to this stock, one share for every two you hold, we will give you $1,000 bond for each $1,000 of the stock you take. So that a man paid $1,000 and received $1,000 of Credit Mobilier stock and a $1,000 first-mortgage Union Pac-

fic Railroad bond; but the Union Pacific Railroad Company received the money for these bonds; the Credit Mobilier paid them the money that they received from those stockholders.

Q. That, then, is the process by which they got rid of the profit they had made?—A. Yes, sir.

By Mr. HOAR:

Q. You mean that the Credit Mobilier paid the Union Pacific Railroad Company at par for those bonds?—A. No, sir; at 85.

Q. The bonds would bring 85 in the market then, would they not?—A. No, sir; they were not in the market; that was before they were put in the market.

Q. Well, 85 has been about their lowest figure since they were put on the market?—A. Yes, sir.

Q. Then the whole amount of this arrangement was that, on condition of subscribing one share for every two already held of Credit Mobilier stock, each Credit Mobilier stockholder purchased of the Union Pacific Railroad Company a bond at 85 cents on the dollar; is it not so?—A. That is the construction you seem to place upon it.

Q. I am asking you about it.—A. I do not put any such construction upon it. Each stockholder received $1,000 in stock and $1,000 in a bond, for which he paid $1,000.

Q. I thought you said he paid only $850 in the $1,000?—A. No, sir; I said that the Credit Mobilier paid the Union Pacific Railroad Company at that rate.

Q. What became of the balance of the $1,000?—A. The Credit Mobilier held that as its own money.

Q. Then, if the Credit Mobilier stockholder got for his $1,000 a bond which was worth 85 cents on the dollar, his new share of stock cost him but 15 per cent. of its nominal value?—A. Yes, sir.

Q. How much was the stock of the Credit Mobilier before that transaction?—A. Two and a half millions.

Q. Was that two and a half millions paid in by the original subscribers in cash—the whole of it?—A. Yes, sir.

Q. That was so, so far as you know?—A. That is what the books show.

Q. Then the stockholders of the Credit Mobilier paid into the concern, in cash, so far as you know, $2,500,000—in value, not in cash—and 15 per cent. of $1,250,000, and that is all, is it not?—A. That was the result. That was the amount of money they received. They received $1,250,000, and they paid it out. The bonds had no market value.

Q. Well, they were at any rate a first mortgage on the entire property of the Union Pacific Railroad, including its right of way across the continent, as far as it went; and they were to be paid in full before the Government loan of the same amount got a cent?—A. Certainly.

Q. And they had whatever intrinsic value that gave them?—A. Certainly.

Q. They were the most valuable thing that was secured upon the property of that road, were they not?—A. I should rather have had a Government bond.

Q. But the Government bond was not secured on the property of that road to the person who held it. You mean to say that you would rather have the Government's claim to re-imbursement?—A. No, sir; I should rather have the Government bond.

Q. You understand, and you then understood, that these first-mortgage bonds were to be paid before the Government got its pay?—A. Certainly

Q. And were to be paid before the capital stock could have any value? —A. Certainly; but I also understood that these men had staked their money in this enterprise, and there was uncertainty as to whether it would ever be finished; and if it was not finished, there was no telling what would be the result.

Q. Do you know of a single man who received one of those bonds under that arrangement who sold it for less than 85 cents on the dollar? —A. No, sir; I do not know any one.

Q. You never heard of any one?—A. I don't know that I did. I would not have been likely to have heard of it; I was a stranger to most of those men at that time.

Q. So, so far as you know, there was no capital stock paid into the Credit Mobilier except the first $2,500,000, and the difference in value between the actual and the par value of those bonds to the amount of $1,250,000 more?—A. No, sir; I don't admit it; they paid in the par value of both kinds of stock.

By Mr. ALLEY:

Q. State whether this privilege of taking this stock with the bond attached to it was regarded as such a valuable privilege that they were all willing to accept of it?—A. No, sir; there were several of them, heavy stockholders, that did not take it until some time along in the summer.

By Mr. HOAR:

Q. How long after?—A. Four or five months.

By Mr. ALLEY:

Q. Was there not a very large number, including myself, that regarded it as so hazardous that they would not come in and take it; that they would rather lose what they had put in than go any further into it?—A. Yes, sir.

By Mr. HOAR:

Q. Did they lose what they had already put in, and refuse to go any further?—A. No, sir; but I say they preferred to do that.

Q. But which did they do?—A. Well, they finally put it in, or procured some one else to put it in; but they did not do it then, when the company wanted money.

Q. Did not the company want money when they did put it in?—A. Not so badly.

Q. Did the company want money when they did put it in?—A. No; they had notified these parties that they would not take the money.

Q. Did they take the money?—A. They finally did.

Q. Do I understand you to say that there were two parties, one who did not want to pay the money, but who, somehow or other, did pay it, and another who did not want to receive it, but who, somehow or other, did receive it?—A. I understand that originally there were parties who did not want to pay, but finally, when they were notified that the company did not want to receive it, they came forward and wanted to pay it, and then it was received.

By the CHAIRMAN:

Q. How much stock, and scrip convertible into stock, in all, was disposed of in the manner which you have described?—A. About five millions; that is, in these sales I mean.

Q. You call these transactions "sales?"—A. Well, there was other stock divided in the regular dividends.

Q. Was there ever a dividend made by the Credit Mobilier to its stockholders, independent of what you have now been talking about?—A. There was a 6 per cent. dividend for 1868 and 1869, payable in stock at $30 a share; full-paid stock.

Q. How many shares of stock were disposed of in that way?—A. Fourteen thousand nine hundred and sixty shares; $1,496,000 capital stock, par value.

Q. There was another dividend of 6 per cent.?—A. I have put the two together.

Q. Since that time has the Credit Mobilier made any money from any source?—A. No, sir; it has not.

Q. What are its present assets?—A. Its present assets are principally its claim against the Union Pacific Railroad Company, $2,000,000 and over. It has also a few lands.

Q. What lands has it?—A. It has some lands in Council Bluffs and some small pieces in Columbus, Nebraska; town-lots.

Q. Where are those lands in Council Bluffs?—A. Between the city and the river.

Q. Is that the land in regard to which there has been a controversy about the location of a depot?—A. That I don't know.

Q. From whom did the Credit Mobilier get that land at Council Bluffs?—A. Two different parties. One, I believe, was Lycurgus Jerdon, and the other I do not know; it was before my time.

Q. The lands lie there in a body, between the city and the river?—A. Yes, sir.

Q. Is it your understanding that those lands have been held by the Credit Mobilier with reference to the future construction of a depot there, in the event of the road being brought across there, or the location of the depot on that side of the river?—A. I suppose the lands were bought as a speculation.

Q. Looking to the location of the depot there?—A. I would not say looking to the location of the Union Pacific Railroad depot there, but looking to the location of a depot there; a general depot of some kind.

Q. Do you know how much land is in that body?—A. I think there is about 1,000 acres; I don't know.

Q. Where do you say those lands of the Credit Mobilier are?—A. Some of them are in Columbus; I have never seen them, nor even seen the deed of them; I don't know anything about them.

Q. Have you stated all the assets of any kind that the Credit Mobilier now has?—A. It has some Union Pacific Railroad stock, a small amount; 2,042 shares of Union Pacific Railroad stock.

Q. Then, if I understand you, the present assets of the Credit Mobilier consist of this $2,000,000 note and——?—A. I have not used the word "note" at all.

Q. What do you call it?—A. It is a balance on the Hoxie contract, $2,000,000 and over.

Q. There is a note out for $2,000,000?—A. There was a note given; but that was only part of the amount.

Q. You claim there is more than that?—A. Yes, sir.

Q. And those lands at Council Bluffs, and the lots at Columbus, and the 2,000 shares of the Union Pacific Railroad Company's stock—that is all that the Credit Mobilier has left?—A. It may have something more. I cannot tell you without looking and making a balance-sheet of the books.

Q. Have you the books, so that you can make up such a balance-sheet?—A. Yes, sir.

Q. How long would it take you to make up that balance-sheet?—A. I cannot say how long; it would not take a great while, I suppose; there may be some claims against individuals for small amounts.

Q. The amount of those would be insignificant?—A. Yes, sir.

By Mr. SHELLABARGER:

Q. What is the whole amount of stock that has been issued by the Union Pacific Railroad Company, and which is now outstanding?—A. It is something over $36,000,000; I am not in a position to state accurately.

Q. You have given us an account now of something like $5,000,000, which was procured in a certain way, which you have described; then $1,350,000, I think, in this last method, arising out of a dividend of 12 per cent. Now, in brief, state how the residue of the stock of the Union Pacific Railroad Company was issued and paid for.—A. The stock, a large amount of it, was subscribed for by Mr. Crane, acting as secretary of the trustees, and paid for by him on account of the Oakes Ames contract. Another large amount was sold to John A. Rice, assistant treasurer of the trustees, and paid for by him in money. He paid for the stock he got in money, dollar for dollar, par value.

Q. He subscribed as trustee for whom?—A. He subscribed as assistant treasurer of these trustees; that is my understanding of the matter; I could tell more about it by referring to the books.

Q. I want a statement of each class of stock issued; first, give the amount that was issued in payment for work done under the Oakes Ames contract.—A. That I cannot do; Mr. Crane can give you that.

Q. Can you give it approximately?—A. No, sir.

Q. Then what amount was paid to Mr. Rice as trustee?—A. To show that I should have the Union Pacific Railroad Company's books, or some other books that are not here; I cannot state that; it was after I ceased to have charge of the company's matters.

Q. When did you cease to have charge?—A. In October, 1870, I resigned my position as auditor of the Union Pacific Railroad Company.

Q. I find on the books that on October 7, 1869, John A. Rice, trustee, received 50,000 shares. That was during your administration?—A. It was nominally during my administration, but I was not in Boston all the time. I was living in New York—from July, 1869, to October, 1870. I went to Boston frequently, but still I was not there all the time. In October, 1870, I resigned everything and told them that I would cease to come to Boston any more. If I had the books of the trustees of the Union Pacific Railroad Company, I could give you a full history of these things.

Q. Then the whole amount of that stock was——?—A. About $36,000,000, I think—a little over that.

Q. You have described how the stock was issued. The result of it was that it was paid for in road-making?—A. No, sir; I want you distinctly to understand that Mr. Rice's was not paid for in road-making; it was paid for in money.

Q. That was after you ceased to be connected with the road?—A. Well, I was quite often over in Boston in a clerical capacity. I can tell you how he got the money, too.

Q. How much of the stock of the Union Pacific Railroad Company did Mr. Rice pay for in money?—A. That I cannot state—whether it was the whole of it or only a portion of it; but I could tell by the books.

Q. You have already stated that Rice paid for his stock in money?—A. Not the whole of it.

Q. Can you now refer to the books and tell how much he did pay for in money?—A. I cannot; the books are not here. If they were, I could tell.

Q. You have stated, as a reason why you said he paid in money, that you were in Boston and knew he paid in money?—A. Yes, sir.

Q. Then tell us how much he paid in money?—A. That I cannot tell without the books. I should think he paid in money for three or five millions.

Q. Dollar for dollar?—A. Yes, sir.

Q. That is, he paid into the treasury of the Union Pacific Railroad Company from three to five millions of dollars?—A. Yes, sir.

Q. At what time?—A. He paid in at different times.

Q. Describe how that money was paid in—by what persons?—A. Mr. Rice sold the stock of the company, and sold bonds to the stockholders of the Union Pacific Railroad Company, for which he received money, and as he received this money, he turned it over to the Union Pacific Railroad Company, and it was placed to his credit on account until there was some three or four million dollars due to him—money he had advanced. Then he makes a subscription to the stock, and takes this money that he has already paid in to pay for that stock; it was money that he had already paid in and that was owing to him.

Q. Then I understand you to say that he took the stock of the Union Pacific Railroad Company, furnished to him by that corporation, and sold that——?—A. No; I don't say that. He took some stock that he had undoubtedly received under the Oakes Ames contract, and then sold that stock with bonds that were received under the Oakes Ames contracts. He sold those bonds and the stock and got money, and that money was placed to his credit by the Union Pacific Railroad Company until it amounted to three or four millions, and then he took stock for that money.

Q. What amount in money, bonds, and stock, added together, did he sell from which he realized this profit of three or four millions?—A. That I cannot state.

Q. State as near as you can.—A. I can't tell anything about it.

Q. You certainly know something about what the stock sold for at that time?—A. Well, he might have sold eight or ten millions of stock and bonds.

Q. You were a long time an officer of the road, and you should have some knowledge of what the average price was that he received for the bonds and for the stock?—A. When the books come they will show.

Q. But, if they should not come, you cannot give us any information on the subject?—A. No, sir.

Q. You cannot even approximate the price at which the stock and bonds were sold?—A. No, sir; it has escaped my memory now; it is some years since it was done.

Q. Did the stock sell for as much as 30 cents on the dollar?—A. It was not sold alone; it and the bonds were sold together.

Q. I want to get the price realized for each class of assets.—A. They sold them together.

Q. If you are so familiar with the matter as to know that they were not sold separately, but were always sold together, you must know something about what they brought; now tell us.—A. That I am not definite about.

Q. How, then, are you able to state definitely a negative—that they were never sold separately, but always together—and yet unable to tell anything about what they brought, either separately or together?—A.

Well, that is a question that I cannot answer. If the books were here I should be willing to show you.

Q. What books are they which, if here, would show that?—A. The books of the seven trustees. These books here are the books of the trustees up to a certain time. I want the books that show the transactions since that time.

Q. What is that certain time at which the books here stop?—A. March, 1869, I think.

Q. Then what we want are the books which show the transactions subsequent to that date?—A. Yes, sir; they are, first, a copy of these books, but they also contain subsequent transactions.

Q. Where are those books and in whose custody?—A. In Mr. Oliver Ames's, I suppose.

Q. He is in possession of the books of the seven trustees?—A. I suppose he has.

Q. What is the name of that class of books that would contain the facts you have been speaking of?—A. I should not know how to describe them in any other way than as the books of the trustees. They are the books that contain the transactions of the trustees after the company moved to Boston.

Q. You have said also that part of these facts that we have been inquiring about will be found in books of the Union Pacific Railroad Company that are not here. What books are those?—A. They are the regular account-books of the company. I suppose they are the books in present use, but they may have others coming after those. The books here come down to March, 1869, and you want the books subsequent to that. I presume they are in the office in Boston.

Q. Who should be subpœnaed to bring those?—A. Mr. Rollins.

Adjourned until January 29.

WASHINGTON, D. C., *January* 29, 1873.

JOSEPH B. STEWART recalled.

By the CHAIRMAN:

Question. In your former answers in this examination you stated to the committee that Mr. Durant and Mr. Hallett, together, paid you a very large amount, to exceed $250,000 in bonds, and also that exceeding $250,000 in bonds had passed into your hands; that of that amount from $100,000 to $150,000 was in bonds of the Union Pacific Railroad Company, and that you received those bonds in the latter part of June, 1864. Now, state to the committee, so far as you can recollect, the names of the persons to whom you delivered, or paid out, those bonds of the Union Pacific Railroad Company, or any part thereof, or the proceeds thereof.—A. The question asked me assumes what is erroneous. It covers two quantities, of $250,000 of bonds, and assumes that I have received and paid out that quantity. I have not stated that.

Question repeated.—A. The word "paid," in the sense used there, has no proper place.

Q. That is the only criticism you make on that, is it?—A. Yes; I stated that I received that money and those bonds as counsel, to adjust matters wherein I was acting for my clients, and in a fiduciary capacity, sometimes as negotiator and sometimes as umpire and arbitrator, and that I appropriated the money and bonds so received in discharge of

that duty as counsel; and that it had no reference to, and was not by me applied to, any one connected with the Government in its legislative or executive capacity, and that the matters performed by me as counsel I did not mean to state to this committee.

Q. Were any of the bonds that you have now referred to, the bonds of the Union Pacific Railroad Company?—A. I refer to the same bonds in reference to which I testified before.

Q. You stated, I believe, in your former examination, that of that amount of bonds that went into your hands, from $100,000 to $150,000 were the bonds of the Union Pacific Railroad Company.—A. To the best of my recollection, something exceeding $100,000.

Q. Now, I ask you to state to the committee, so far as you recollect, the names of the persons to whom you paid out those bonds of the Union Pacific Railroad Company, or any part thereof, or the proceeds thereof.—A. Disclaiming, as I have before done, (and giving now my final answer on that subject,) that not one bond or dollar was paid to any member of the Government, I do not speak of my dealings with my clients.

Q. Do you refuse to state to whom you paid or delivered those bonds of the Union Pacific Railroad Company of which you have spoken, or any part of them, or the proceeds of them?—A. I have repeatedly stated, and I now again say, that I will make no statement about the business of my clients.

Q. Do you refuse to state to the committee to whom you delivered those bonds or what you did with them?—A. That is but changing the question again.

Q. Answer my question.—A. I refuse to speak about the business of my clients.

Q. Do you refuse to state to this committee to whom you delivered those bonds or any part of them?—A. The persistence with which I am sought to be placed in a false position by this question I protest against.

Q. It is an easy matter to state whether you refuse to answer the question.—A. I refuse to this committee and to this audience to speak of the business of my clients; and I know how far the question is the business of my clients.

Q. I will give you another opportunity.—A. You need not give me any opportunity to answer that question again.

The CHAIRMAN. Do you refuse to answer it?

The WITNESS. I have answered the question as I mean to answer it.

The CHAIRMAN. I am putting a plain question to you, which you may answer or refuse to answer.

The WITNESS. If you repeat your former question, it is answered.

Mr. HOAR. I move that the witness be informed by the chairman that, in the opinion of the committee, a disclosure of the names of the persons to whom he delivered money or bonds is not protected by the legal privilege existing between counsel and client.

The motion was agreed to.

The chairman informed the witness that the committee had had the matter under consideration, and had examined the question, and that it was the opinion of the committee that the witness had no right to refuse to answer the question on the ground of privileged communication or for any other reason.

The WITNESS. Now, I will give my reasons to the committee, and I presume I have some rights here. In my examination heretofore I stated the fact that the duties discharged by me as counsel, as trustee,

as negotiator, and as umpire, involved a great many parties. Their confidence is my rule and my guide; their rights are my rights here. I might convince Mr. Brown that he should have got $7,000 where he got but $3,000, and I might convince Mr. Jones that he should have got something else, and I would create dissatisfaction where satisfaction exists and distrust where confidence exists, while it would not aid your inquiry, and while I and those who might be affected by it would be without any remedy which you could afford or would afford. Your investigation would necessarily arrive, ultimately, at that which I claim, as a lawyer and as a man, you have no right to inquire about, things which appertain to private rights. I think there are some rights which a citizen has, and which are properly to be respected everywhere, under the Constitution of this country and under its organic and statute laws. I have stated my reasons for refusing to answer your questions, and I wish them to go to the public, for I shall stand very firm where I am; and perhaps I will have a right to be heard on this question in its further discussion.

Mr. HOAR moved that the further examination of the witness be postponed for two hours.

The WITNESS. I have a case on trial in New York which has been postponed for me until to-day, and I shall certainly go to New York to-day to try that case.

The CHAIRMAN. You can go very readily by answering the question.

The WITNESS. I consider I have answered the question, properly and legally.

Q. (By the CHAIRMAN.) What kind of bonds did Mr. Hay receive at the time this negotiation was going on?—A. Mr. Hay, to the best of my judgment, received, and I believe only received, bonds of the same description as I did. I believe they were part of the bonds which I received from Mr. Durant, as I have before stated. Except through me, I do not think Mr. Hay (indeed, I can speak positively) had anything to do with the matter.

Q. Mr. Hay was acting in concert with you?—A. That word "concert" I object to. Mr. Hay was acting under my directions.

Q. Was he your agent in assisting you in managing this matter?—A. Mr. Hay did certain things which I requested him to do, at the instance and request of my clients.

Q. What was it that you requested Mr. Hay to do?—A. I have stated that I requested him to draw or to bring some bonds from New York to Washington, to me. I gave him an order on Mr. Durant, also, for some money.

Q. Did Mr. Hay bring these bonds over from New York to Washington?—A. He did.

Q. Did he bring over some money also?—A. Not at that time. It was before the time that he brought the bonds that he brought the money.

Q. How much money did he bring?—A. Sixty thousand dollars.

Q. What time was that?—A. I will not be precise as to the date, but it was current with the other transactions; some time after the matter was adjusted and closed up.

Q. What did you do with that money?—A. I made the same disposition of it that I did with the bonds. I paid it, or caused it to be paid, to those to whom it belonged.

Q. Do you know from what source that money came?—A. I only know that it came from Mr. Durant.

Q. Was Mr. Durant acting on behalf of the Union Pacific Railroad

Company at that time?—A. At that time, 1864-'65, Mr. Durant, to my certain knowledge, was carrying on the Union Pacific Railroad pretty much on his own resources.

Q. He was the active managing man of the Union Pacific Railroad Company at that time?—A. Yes; Mr. Durant was really the man at that time. From reasons which come to me professionally I know that to be the case, but I do not propose to testify about it.

Q. To whom did you pay that $60,000?—A. I paid it, or caused it to be paid, to those of my clients and my *cestui que trusts* that were entitled to it; and they were not members of Congress, or Senators, or Government officials.

Q. Give their names to the committee.—A. I decline to give any names with reference to my transactions with my clients.

By Mr. SLOCUM:

Q. When were these occurrences?—A. In 1864 and 1865.

Q. Who was president of the Union Pacific Railroad at that time?—A. General Dix; but the road, at the time of which I am testifying, in 1864, had no very active support outside of such as Mr. Durant and a few individuals associated with him brought to it. It was later on that gentlemen, whom I see now here, invested in it.

By the CHAIRMAN:

Q. Did you ever receive any moneys or bonds from Mr. Durant at any other time than as you have stated?—A. With the exception of one matter, as to which I wish to make a correction. I stated in my former examination that Mr. Huntington paid me $10,000. I find that he paid me but $2,000, and that Mr. Durant paid me the other $8,000. I wish to make that correction.

Q. When was that?—A. That was at the time of the close of the labor which was performed in 1864 and 1865.

Q. What was that $10,000 paid for?—A. It was paid to me to discharge some obligations contracted by Mr. Hallett, I think. I paid the money myself over to Mr. Hallett, and Mr. Durant afterward paid it to me. Seeing that round figure of $10,000 opposite Mr. Huntington's name in a memorandum which I accidentally came across some time ago, I supposed that I had received all the money from Mr. Huntington.

Q. How long is it since you came across that memorandum?—A. About a year ago. I came across it among my professional papers and burned it away.

Q. Where is that memorandum?—A. That memorandum is in my possession.

Q. Will you produce it to the committee?—A. I will not.

Q. Is that memorandum in this city?—A. That memorandum is in the city at this time.

Q. Does that memorandum contain a statement in reference to all the transactions?—A. It does not—nor the tithe.

Q. To what extent does it go; any further than as to this $10,000?—A. Nothing further; and as to the correction of the $10,000 into $2,000.

Q. You refuse to produce the memorandum?—A. I do refuse to produce any memorandum that has reference to business between me and my clients.

Q. That was a memorandum which you made yourself, was it?—A. A memorandum which I made myself in conversation with my clients, and in perfecting the adjustment with my clients and *cestui que trusts*.

Q. I understood you to say that in some portions of these transac-

tions you were acting as arbitrator or umpire between the parties?—A. I did.

Q. Do we understand you to claim that an arbitrator and umpire has a right to regard what transpires in his presence between parties who are controverting questions before him as a privileged communication?—A. Since I was interrogated in the manner I was by this committee as to that I have made it a special study, and I am very well prepared to sustain my position by authorities; I will hold that to be the case under any circumstances, but in every case I was counsel or had been counsel for one party or other; and if the relation of counsel and client were absolved, it was simply to constitute me (they having sufficient confidence in me) an arbitrator or umpire to settle between them. That confidence has not yet been impaired, however it may be at the close of this investigation.

Q. To what extent did these matters pass under review by you as umpire or arbitrator between the parties?—A. In no instance exclusively so. It resulted in every instance from my relations as counsel, or in a fiduciary capacity to one party or the other.

Q. So that you were counsel and umpire at the same time?—A. I stated that I was always absolved specially by the consent of the party, but that my relation in every instance had its origin in my professional capacity.

Q. But after they had absolved you from your responsibilities as counsel, and you came to be umpire alone, then, being no longer counsel, do you regard the communications that were made to you by those parties between whom you were arbitrating as confidential?—A. No lawyer, at any time, has ever absolved his relations between him and his client, and no one who has self-respect will do so.

Q. You do not mean to be understood as saying that, after the relations of counsel and client have ceased, communications that are made to him are confidential?—A. That relation never ceases, so far as the matter that transpired is concerned, whatever it may be in some future transaction.

The CHAIRMAN. Then once a man's lawyer, always his lawyer?

The WITNESS. Not necessarily; but in regard to the matter on hand he always is his lawyer, and his mouth is always shut in speaking of that business transaction.

Q. Were any of those bonds paid out or delivered to the parties by Mr. Hay, or were they all delivered by you?—A. The thing was so immediately under my direction that any action of his would not be such as would impart to him the reasons therefor.

Q. Was he cognizant at the time of the delivery of any of those bonds?—A. I should think not. Certain it is that I aimed to so arrange and to so distinctly settle between all parties before the delivery was made that that act finished it. A release, discharge, and everything of that sort, was given on the spot, and has stood so for now nearly ten years, and I feel burdened at being interrogated about it here.

Q. Are you simply apprehensive that your disclosure of these names would stir up strife between these clients of yours?—A. I am perfectly certain that such would be the result. But my view of the relations existing between counsel and client would be sufficient reason for me, even if I did not apprehend that. I know that there are elements of dissatisfaction that could be very easily moved.

Q. Did you deliver any of these bonds to newspaper correspondents?—A. That is repeating the question which I have declined to answer; but

for their credit, and from a sense of justice to those gentlemen, I will say that I did not.

Q. Did you deliver any of them to newspaper publishers?—A. I decline to answer.

Q. Were those newspaper men your clients?—A. Two of them were.

Q. Where did they live?—A. That is immaterial to the purpose of this examination.

Q. You do not consider where they live a confidential communication, do you?—A. I judge that it is not necessary to inquire.

Q. Do they live in the city of Washington?—A. I decline to answer.

Q. Did you ascertain where they lived from any communication they made to you, or did you know it prior to your engagement by them as counsel?—A. I ascertained where they lived from having been their counsel and adviser for ten or twelve years.

Q. Then the place of their residence was not a confidential communication to you?—A. I choose for the purposes of this examination to regard it as such. I cannot see what this committee has to do with the names of those newspaper editors who were my clients.

Mr. SHELLABARGER, (to witness.) You may not have observed carefully the part of the resolution under which the committee is acting, which requires the committee to investigate the interests of the Government in the proper and legal disposition of the assets of the road, and in so far as that branch of our resolution is concerned it has no special relation to influences brought to bear on members of Congress. Now, it may not be amiss to state to you that one object of these inquiries is to ascertain and report to the House on the matter of the just and legal disposal of the assets affecting the solvency of the corporation; and it is partly in that view that the committee desires, in obedience to the order of the House, to get information as to what was done with those assets. In that view I trust that you will see that the committee is not desiring anything else than faithfully to discharge its duties to the House. We therefore desire to find out what disposition has been made of assets, which it is the concern of the Government to know, whether or not they have been used according to law.

The WITNESS. In answer to the suggestion, in the way of a question, I beg to state that I, as a citizen of the United States, know of no other rights than legal rights vested in this Government, and that by the laws of the land as they exist I am willing to abide and do obey. I know of no rights that the Government has, in regard to this inquiry, beyond those provided by existing law. As to the Government itself, let Congress take proper care, legally and equitably, of every individual citizen according to the laws as written; and then the Government itself will already have been provided for to the utmost that it can demand, and to the greatest measure of its benefit.

Mr. SHELLABARGER. In view of the statement which I have just made to you, as to what we deem the duties of the committee to the House, do you still decline to answer the questions which you have hitherto declined to answer?

The WITNESS. The questions, and the only questions, which I refuse to answer are those which (I repeat) enter into my duties and my rights as an attorney as well as a citizen; and, in order to protect the rights and interests of those who have confided them to my care, (and which I shall do,) I will answer no question that tends to involve, or complicate, or imperil those rights and interests.

Mr. SHELLABARGER. Then I understand you as still adhering to your refusals heretofore made?

The WITNESS. I cannot make myself plainer than the language which I have already used has done.

WASHINGTON, D. C., *January* 29, 1873.

HORACE F. CLARK sworn and examined.

By the CHAIRMAN:

Question. Are you the president of the Union Pacific Railroad Company?—Answer. I am.

Q. How long have you been occupying that position?—A. I was elected president at a meeting of the board of directors held in the city of Boston on the 6th of March, 1872.

Q. Have you been in any way connected with this company prior to that time?—A. In no way; neither as stockholder nor as bondholder.

Q. Have you been connected with the Credit Mobilier?—A. Never, in any way, directly or indirectly.

Q. You made a report to the Secretary of the Interior, as president of the company, on the 12th of September, 1872, I believe?—A. You will permit me to say, in reference to that report, that the office of the company is at Boston. I reside in New York. The report is prepared in Boston, where the accounts of the company are kept, and where are its papers. Believing it to be correct, or substantially so, I made the formal affidavit to its truth, such as presidents of railroad companies make. We cannot know the entire accuracy of all the facts stated in these reports unless we verify them by examination.

Q. I referred to the report in this connection, with a view of asking you some questions with regard to some matters involved incidentally in this investigation. I see it stated in the report that the entire cost of the road to the 30th of June, 1872, unadjusted balances with the contractors not included, is, including fixtures, $114,258,535.97.—A. You will permit me to say that I know nothing of the truth of that statement, except that it is a book-balance.

Q. Can you inform the committee on what books that balance will be found?—A. The books are in the city of Boston. I cannot tell you what book. I made an inquiry as to the quarter from which those figures were obtained, and was told that they were obtained from the books. You will recollect that I informed you that I had no connection of any description with the road prior to March last, and you may not be aware that it is the usage in railroad companies for incoming presidents to take the book-balances from their predecessors. That report was prepared in Boston. I swore to it.

Q. Have you any knowledge of the cost of this road, other than this balance, which you say is on the books of the company?—A. I have no knowledge whatever of the cost of the road, and no knowledge whether the statement of cost in the books is correct or not. All that I know about the cost of the road is what I gather from the current history of the day, having been familiar with railroads for several years. I cannot verify the accuracy of the statement.

Q. Do you know what is embraced in this item that I have given you?—A. I do not.

Q. Do you know any of the items that go to make up this amount; for example, the capital stock?—A. This must embrace the $27,000,000 of first-mortgage bonds, the Government loan of $27,000,000, the land-grant bonds of $10,000,000, the income bonds of $10,000,000, and the stock of $36,000,000 and a fraction. It may be that the Omaha bridge bonds are in that statement. That bridge cost about $2,500,000, and I rather

think that the bonds were added to the debt. That would make about $114,000,000. The company owns some $800,000 or $900,000 of the income bonds, which are hypothecated as security for floating debt. The entire cost of a railroad, in railroad parlance, is the funded debt, the floating debt, and the stock. That is the entire cost to the stockholders of the company, but I do not think that it means the actual cost.

Q. In making up the cost of the road, do you make it up from an aggregate of the securities that have been issued, or for which the road is liable, and the stock?—A. This cost account has been kept through a course of years, and probably it embraces all the bonded debt and the stock. Whether the present floating debt has been charged up, I do not know.

Q. What is the floating debt?—A. The floating debt is, in round numbers, $2,000,000; but you will recollect that that floating debt is secured by collaterals, the assets of the company.

Q. What is the present indebtedness of the Union Pacific Railroad Company?—A. The present indebtedness of the Union Pacific Railroad Company consists of twenty-seven millions or thereabouts of first-mortgage bonds, twenty-seven millions or thereabouts of a debt due to the Government, and payable, as we insist, at the expiration of thirty years, ten millions or thereabouts of land-grant bonds, of which a portion has been canceled by being paid in by purchasers of the lands, ten millions of income bonds, due in 1875, and, in addition to those funded debts, there is a floating debt of about two millions, carried from hand to hand, and I think about two and a half million of sterling bonds, issued to build the Omaha bridge.

Q. There are also out some certificates for bonds?—A. I do not know what that means.

Q. I see such an item in your report.—A. I do not know what it is.

Q. The floating debt, you say, is about two millions?—A. Yes.

Q. Do you embrace in that two millions any arrearages of interest due to the Government?—A. No, sir. We have paid toward the interest on that debt one-half of the amount due for transportation for the Government, which is all that was required to be paid under the law of 1864. We do not count the other half as a floating debt, but it is an accumulating debt. I do not embrace that in the floating debt.

Q. The floating debt, then, independent of any arrearages of interest, is about two millions?—A. It may have varied since that report, which is for the fiscal year ending June 30, 1872. It varies somewhat, of course, from time to time. I cannot say whether the floating debt is larger to-day than it was on the 30th of June last.

Q. What is the character of that floating debt?—A. It is in notes held, I think wholly, by the present directors in different amounts.

Q. What amount of those notes is past due?—A. I think none. I think the company has never been dishonored. There is a note in existence for two million dollars, which I have never regarded as a debt, and which was never placed on the list of bills payable as exhibited to me. I do not refer to that as a part of the floating debt.

Q. That is a matter to be hereafter adjusted or controverted?—A. A list of bills payable has been exhibited to me frequently from time to time, and that note was never placed on it. I heard incidentally of the existence of such a note, and I made such inquiries as satisfied me that it was not an obligation of the company, and that it was in the hands of a director of the company, who informed me himself that he held it in trust for the company, and that it was originally executed as a security or indemnifier of certain gentlemen who signed bonds in some

litigation in Pennsylvania involving the interests of the company; that the conditions on which the note was given had been discharged and the liability released. I feel satisfied, therefore, that it should be omitted from the statement of the bills payable. I think that that note must be past due. It was given many years ago. It was an unstamped note, but I have been informed by somebody that an indorsement was put upon the note authorizing somebody to put stamps on it. Whether that was done I do not know. I have never seen the note. There never has been any note of the Union Pacific Railroad Company dishonored that I have heard of.

Q. State, as nearly as you can, the gross and net earnings of the road during the past year.—A. The accounts for the year are not closed. The latest account that I have is for the month of November. The returns of the traffic cannot be got for a month, so that the results of the entire year are not ascertainable now. It will be nearly a month before we shall have the accounts up to the 1st of January. I cannot state but approximately the general result.

Q. Give us, as nearly as you can, the net earnings of the road.—A. You will bear in mind that I became connected with the road only in March last; all my knowledge of the transactions of the year prior to that time is, of course, from its books and records.

Q. Have you any circulars or memoranda of any sort that show what the earnings have been in the past?—A. I have. (Exhibiting a circular to the committee.) Before you leave the subject of the floating debt I should like to explain it. That floating debt, to the extent of a million and a half and upward, resulted, first, from the diminution of revenue during the snow blockade during last winter—a diminution of about a million dollars—and from the borrowing of between five and six hundred thousand dollars from the directors, which was expended by the company with a view to prevent a recurrence of these snow blockades. The rest of it is in the ordinary course of business. Here is a detailed statement of the earnings and expenses from July 1, 1872, to November 31, 1872, issued from the auditor's office. I have received a comparative statement of the earnings and expenses for November, 1872, as compared with November, 1871. It shows that the ratio of expenses in November, 1872, was 39$\frac{41}{100}$ per cent., while in 1871 it was 40$\frac{35}{100}$ per cent. There was an increase in gross earnings of $207,585, an increase in operating expenses of $77,000, and an increase in net earnings of $130,236.13.

Q. I have only attracted your attention to these questions for the purpose of asking you what would be the effect on the Union Pacific Railroad Company if the support of those persons who are now and have been lending it money were withdrawn, and if the Government should exact the payment of the interest.—A. The result would be most disastrous to the bondholders and stockholders.

Q. What would be the effect upon the solvency of the company?—A. The company would not be solvent; that is, it would not be able immediately to pay its debts.

Q. Suppose the Government should insist on the payment of all the interest, as is contemplated by the recent action of Congress, what would be the result to the company?—A. I do not read that legislation as you do; the action of the House leaves the law as it stood in 1871, requiring the transportation money to be retained by the Government on account of interest, but I do not understand that it exacts that is claimed as arrearages.

Q. Suppose the Government should insist upon deducting all the

charges for transportation, and should also require the arrearages of interest to be paid, what would be the effect?—A. The company could not stand it.

By Mr. HOAR:

Q. Suppose the Government were to apply the entire sum due for its freights and fares to the payment of interest, (to say nothing about arrearages,) what would be the effect upon the company?—A. That would depend upon circumstances; if the Government took that ground, and withheld the money, and if there should be a snow blockade, I think that the result would be disastrous; last winter there was no agitation on this question, and, therefore, there was no very serious loss of that sort; but the elements were against the road last winter, and the company was deprived of a million of revenue; up to this time this year, we have not been seriously impeded by snow. I think that, with the Government against us and the elements against us, we would be gone; the two have alternated hitherto in their raids.

Q. Suppose that the snow should be withheld, and that the Government should insist upon what has been claimed by Secretary Boutwell heretofore, could you get through then?—A. In dealing with the future, in regard to freight matters and mail matters, you are dealing with unknown quantities.

Q. I am supposing that Providence is in your favor and the Government against you.—A. It is an inauspicious time to make a raid. I will tell you why. This is the year when we have got to begin to make large renewals of iron. Last winter was rather an easy winter on the road, because the road was covered with snow, and did not carry any traffic for upward of two months, and it came out in the spring in a very good condition—in a better physical condition than if it had been free from snow. This winter the traffic has been uninterrupted. There has not been as much snow on the Union Pacific Railroad as upon any hundred miles of the Lake Shore Railroad. Now, we have got to renew the iron, and may have, perhaps, to spend another half million dollars for further precautions against snow blockades. If the Government, under these circumstances, were to withhold all the pay for transportation, I think the result would be very disastrous.

Q. What is the weight, per yard, of the iron on the Union Pacific Railroad?—A. I think fifty-six pounds generally.

Q. Was not the first one hundred miles laid with forty-eight-pound rail?—A. I do not know. I can ascertain by referring to some documents that I have. I thought it was a fifty-six-pound rail, but I am shaken by your question. I was not aware that there had not been a full compliance with all the provisions of the act. At all events, the Government accepted the road as coming up to the qualifications of a first-class road.

Q. Has the company at any time made any provisions, by way of sinking-fund or otherwise, for the renewal of the iron on the road?—A. No, sir.

Q. Have any funds been set apart for the purpose of renewing the iron?—A. No, sir; and I do not know that that is usual. The theory on which a first-class railroad is run is that it shall be kept in repair. Renewals are continually going on. But if you take a new road, the first heavy renewals of iron take place after a few years. The Union Pacific Railroad is admitted by railroad men to be in as good a condition as any railroad of the same class.

By Mr. SWANN:

Q. What amount of iron would be required from year to year to renew the road?—A. I cannot answer that question, because it mainly depends upon its actual condition. When a rail is weakened, we take it out. We have endeavored to save the track. We run our passenger trains at a moderate rate of speed. We run our freight-trains at a slow rate of speed. We have saved in that particular by positive instructions as to the rate of speed.

Q. Is it not customary among railroads to put aside a sinking-fund for the repair of rails from year to year?—A. No, sir. I am in a good many railroads, and I do not recollect any one where it has been done. We have had to create floating debts on some of these roads in changing the iron to steel rails, as we found that, with heavy traffic, iron would not answer the purpose at all. We have contracted a floating debt for the purpose of procuring steel rails, but I am in no railroad where there has been a fund set apart for the renewal of the rail.

Q. What is your estimate of the life of the rail on your road under the tonnage you are carrying?—A. You, perhaps, are familiar enough with the subject to know that it depends very much upon the quality of the iron. If you go to the New York and New Haven road, you will find iron that is down seventeen years, and that is still better than iron that has been laid within a few years. It depends upon the quality of the iron. Take the best Pennsylvania iron, and put it on the Lake Shore road under its heavy traffic, and in one year it has got to come up. I should think that, under our traffic, the iron will last eight or ten years, perhaps longer.

Mr. SWANN. I ask that question under the presumption that you procure the best iron for laying and relaying the road.

The WITNESS. You are aware that we are restricted by the charter to American iron. Whether we are restricted to American iron in the renewing of the rail, I do not know. I think we are restricted to the use of American iron, and I suppose that if American iron is all poor we are to have poor iron.

Q. What proportion of that road have you relaid with new iron since it has been in operation, putting in these casual repairs from time to time?—A. An account is kept of it, and I can furnish you with an exact statement. The road is in as good a condition, if not better than it was a year ago. I referred to the iron question as illustrating what we have regarded as the injustice of withholding the money due for Government transportation at this time. We thought it was an inauspicious moment to do so.

By the CHAIRMAN:

Q. How much is it anticipated or calculated that it will be necessary to expend next year on account of relaying the track?—A. I should say over half a million dollars. My impression is that in this spring the road will not come out in as good a condition as last spring, for the reason that I have stated. In the course of last year I think we were blockaded over two months. Up to Saturday last we have had no obstructions to complain of.

By Mr. SWANN:

Q. That amount will have to be deducted from the net profits?—A. No, sir; from the gross receipts. There may be no net profits. We have got to keep the track in order so as to do the business.

Mr. SWANN. But, of course, it would reduce the net profits to that ount?

The WITNESS. There might to be no net profits. I think there were net receipts this last year, counting the million kept from the road the snow-blockade, and the expenditures made with a view to pre- a recurrence. There came to us from Europe, and from all parts this country, a demand that we should take some precaution to vent a snow-blockade. We cannot control the snow-storms, and that we could do was to raise the track in the cuts and build snow- ds and fences, so that we could keep the trains running; and we e not been obstructed materially this year. But it has cost us a e sum of money, and we shall have to spend another half million lars should the experience of this winter show any particular places ere it is needed.

By Mr. HOAR:

. What other railroads have you been engaged in the management —A. I have not had the practical management of any road. I am ident of the Lake Shore and Michigan Southern Railroad and its nches, and I am director in several of the eastern roads.

. Have you been familiar with the financial as well as the operative agement of railroads, either from your personal employment or your ervations for many years?—A. I have considerably.

. You have been in the habit of studying and considering the causes ch make a road successful and strong, or the reverse.?—A. I think ve. I have given attention to those questions.

. You have, of course, given attention and reflection to the prospect increase and development of business along that Union Pacific road?—A. I have.

. Suppose the Union Pacific Railroad, just as it is, with its debts, its obligations, and with its doubts as to its obligations to the ernment in respect to interest, (taking that as a question of doubt,) to have now put into its coffers a capital stock of thirty million rs—that is, if the money which the law requires to be paid in cash he stock should now be paid in cash to that amount—what, in your ment, would be the value of that stock in the future?—A. I have attention to this scheme of the Pacific Railroads since about when my attention was first called to them. I paid considerable tion to them in the Thirty-fifth and Thirty-sixth Congresses, when was an agitation for the passage of the law. I thought that, if and completed as first-class roads, to run them would ruin any set en; and my opinion never changed until the discovery of coal. I now that thirty millions of dollars would very soon be lost but for iscoveries of coal that were made, I think, subsequent to the con- tion of the road. I think, taking things as they are, the discovery al, and the settlements in Colorado, Utah, and Montana, that it become a very prosperous road.

What do you think would be likely to be the nature and character e investment and of the institution which would be in that way up?

e WITNESS. I do not understand your question. I do not know you mean by purchasing thirty millions of stock. I supposed that se you put was that of this corporation having thirty millions in asury.

HOAR. Yes, sir; that is the case I put.

The WITNESS. It would be worth having, with thirty millions in its treasury.

Mr. HOAR. I suppose you understand the question?

The WITNESS. I think I do; I mean that it would then be a good thing, but it would not be the best thing in the world even then.

Mr. HOAR. I ask whether it would be likely to be a valuable property?

The WITNESS. I think it would.

Q. Do you think it would be likely to pay within a reasonable time good dividends on that investment so made?—A. That would depend upon its relations to the Government. If the Government bore unfriendly relations to the company, I should not care much about it then.

Q. Taking the thing as it is, and assuming justice on the part of the Government?—A. And the continuance of friendly relations, because my experience in railroads satisfies me that the unfriendly relations of any State government, or of the Federal Government, to a corporation existing under State or Federal laws, would be fatal to its prosperity.

Mr. HOAR. I assume in my question obedience to the obligations of justice and law, on the part of the company, and doing justice to the company on the part of the Government.

The WITNESS. I am not sure that I have got your meaning. If you mean to say that, if we had a surplus of thirty millions in the treasury, with our bonded debt, with our lands, with our traffic, and with the prospect of increased traffic——

Mr. HOAR. Suppose the persons who contracted for the capital stock, and who paid for it as they did, were now called upon and compelled to pay in cash to the amount of the capital stock, what then would be the value of the property in the hands of the company, in your opinion?

The WITNESS. Excuse me for saying that your question assumes a state of facts of which I am not informed.

Mr. HOAR. I will put the question again. I ask you, if there were now to be paid in by the holders of the capital stock of the Union Pacific Railroad Company $30,000,000 in cash into the treasury of the company, what would be in your judgment the effect upon the solvency of the company, and what returns in the future do you think would be likely to be received from the investment?

The WITNESS. You must permit me to ask you as to your meaning. Suppose this $30,000,000 should be paid in, you do not mean that new stock should be issued for it, or that the debt should be increased?

Mr. HOAR. I mean that it should be paid in as an obligation on the existing capital.

The WITNESS. You mean that if there was a responsible subscription to that amount by an outside party?

Mr. HOAR. Suppose the existing stockholders of this company, the men who own the stock to-day, were to pay in, as something due on their stock, the amount of $30,000,000 of the capital, $100 a share, so that the existing capital would remain just as it is now, and the company would have the $30,000,000 in the treasury, what, in your judgment, would be the effect on the strength of the company, and what would be the likelihood of the stockholders receiving a remunerative profit on their investment?

The WITNESS. The state of the case which you put is the case of the road with $30,000,000 in its treasury. I should think that the road would be unquestionably prosperous.

Mr. HOAR. What do you think would be the likelihood of its being

...le to make remunerative returns hereafter to the persons who so paid ... that $30,000,000?

The WITNESS. With friendly relations with the Government, I think ... would unquestionably make returns.

Mr. HOAR. How remunerative?

The WITNESS. You are dealing in unknown quantities, and the future ... railroads is all uncertainty.

Mr. HOAR. Do you not think that, with the resources which the ques... I have put supposes, there would be such a vast development of ... between the Atlantic and Pacific as would make the returns ... such an investment highly remunerative.

The WITNESS. I think it would make remunerative returns. I do ... understand exactly what you mean by highly remunerative. A rail... to make returns that are remunerative must be able to maintain ... in a good condition and pay 8 per cent. to its stockholders. That ... would call a remunerative road. I should want more than that for ... remunerative road. I should not look for that in a great many ... from the Union Pacific Railroad.

Q. Not with those resources?—A. No, sir; I think there is no traffic ... requires any very large expenditure, except for the maintenance of ... track. It is a tolerably well completed road. Your thirty million ... I do not think would add much to the earnings. It would give ... and strength. But I think that if it had thirty million in its ... now the bulk of it should be at once appropriated to the pay... of its debts. That is what I should advise.

Q. It would remove the embarrassments occasioned by its present in... and probable insolvency?—A. I think there is no man con... with railroads that does not know that there is danger in debts.

Mr. HOAR. The object of my question, I will explain to you, is to ..., if I can, what would have been likely to be its history sup... that the capital stock had been actually and in good faith paid ... cash instead of its having been subscribed under contracts by ... in reality, as some witnesses say, the company got, instead of 100 ... in cash, 30 per cent. in road-building for every share of its ... stock. The object of my question is to learn of the present ... of the road what, in his judgment, would have been likely to ... been its condition and the value of the property to the men who ... it if that had not been done.

The WITNESS. It is entirely conjectural. I am hopeful as to the future ... and settlement of the country. I think that, in respect of this ..., it is as well established as many other roads, and that there will be ... increase of its traffic. I do not think that it needs any very im... expenditure on it, any very serious outlay. If the company had ... money and did not owe a debt, I think it might divide a good deal ... among the stockholders.

Suppose the road was obliged to rely upon its own credit and ..., without the individual aid of anybody, could it, in your judg..., meet its obligations in the course of business for the next twelve ...?—A. I think not.

Suppose the Government claim, as you understand it, were to be ... to be well founded, under the acts of 1862 and 1864, would the ..., in your judgment, meet its obligations in the course of busi... for the next twelve months?—A. An intelligent body of directors ... in the property would meet the event and would make ... to meet the debt. There is no road in the country that could earn

in a year net, so much as the Government debt against the Union Pacific Railroad Company.

Q. Do you think that, without the aid of outside credit, the company could, from any quarter, raise the funds to meet its obligations?

The WITNESS. Do you mean without borrowing?

Mr. HOAR. No; I mean to let the company be thrown on its own credit, without the aid of outside credit in addition to its own.

The WITNESS. I do not exactly understand the character of your question. The company is borrowing money now, but it is not borrowing on its own credit. Take the money which I lend to the company. It is not loaned on the credit of the company, but on its securities, as in bonds. If it had no available collaterals on which to borrow the money it would have to fund the debt.

Q. Have there not been any transactions in the management of the road, such as are usually styled in business "accommodation transactions," in which the directors or persons interested in its management make advances either of money or credit for the use of the company?—A. Yes, sir; since my administration, there has been.

Q. You understand the difference between accommodation transactions and the ordinary borrowing of money in the course of business?—A. No, sir; in large railroad transactions I do not. You may lend a man ten or twenty thousand dollars without security, but when you come to millions the dealing is on securities.

Q. You know of no loans to the company except on good securities?—A. I know of no loans made except on conditions regarded by the lender as good security. The security may not be always on hand, but the lender relies on the good faith of the company.

Q. Do you think that if the directors and officers of the road were to decline to loan the company any further means, it could meet its obligations in the course of business for the next twelve months?—A. I think not. But you must permit me to illustrate my meaning. Money has been loaned by the directors. I have the company's paper maturing, for instance, between the first and fourth of February, for between fifty and seventy-five thousand dollars. I have got to renew iit. If I do not renew it, and if nobody else made a new loan to supply its place the company could not pay.

By the CHAIRMAN:

Q. I wish to know whether those persons who have been loaning money to the company, and who are connected with the company, have secured themselves by collaterals?—A. They have, certainly. They are not loans without security. I think it very likely that some of the gentlemen may have made loans where they have not got the security in hand. But they have the good faith of honorable men that the security will be placed in their hands.

By Mr. HOAR:

Q. Are you aware that when that road was constructed the capital stock was not paid in in cash, but that the construction of the road was received substantially as an equivalent for that capital?—A. I am tolerably well informed of its history.

Mr. HOAR. I asked you if you know that particular fact?

The WITNESS. I do not think you state the facts with entire accuracy.

Mr. HOAR. Do you know whether what I asked in my question is a fact?

The WITNESS. It impressed me as inaccurate. If you will state it again, I will answer it.

Q. Do you know whether the capital stock instead of being paid in in cash was in substance paid for by building the road by the persons to whom the capital stock was issued?—A. I have been informed that that was the case to some extent; not wholly.

Q. Have you not been informed that it was the case to the extent of a very large majority of the whole capital?—A. I have.

Q. Are you not also aware that, instead of estimating the stock of the company as worth 100 cents to the dollar, it was estimated by both parties to the transaction (the Union Pacific Railroad Company on the one side and the contractors on the other) as worth but 30 cents on the dollar, and that the price of the work was graduated accordingly?—A. I have been informed of that state of things. Suppose that thirty-six millions had been paid in in honest money, and then had been disbursed in construction, the difference between the condition of the corporation, as it is now and as it would be then, would be the difference in the mode of expenditure. If there was greater extravagance and profligacy in the expenditure of the thirty millions of cash, the road would have cost more than it did.

Q. Do you not believe that if the company had had in its treasury that thirty-six millions of capital stock in honest money, it would have been able to obtain contracts for building the road cheaper than it actually did, by an amount of at least twelve million dollars?—A. You are asking my belief. I give it to you. Taking things as they are, taking men as you find them, I think it would have been exceedingly disastrous to have had that money in the treasury; that you would not have had the road built, and that the money would have been squandered or stolen.

Q. I ask you whether, if the company had had thirty-six millions in its treasury in honest money, you do not believe that it would have obtained contracts for the construction of its road cheaper than it did by at least twelve million dollars?—A. I think not.

Q. Do you not think it could have got its construction considerably cheaper?

The WITNESS. You mean, of course, assuming an honest administration?

Mr. HOAR. Yes.

The WITNESS. That is a different case.

Mr. HOAR. Do you mean to imply by your answer that you think that the administration of this company at that time was a dishonest one?

The WITNESS. No, sir; I do not. I only mean to say that, taking into consideration the high prices of the times, the reckless extravagance of the construction, the fact that it was a road built in the first place without a route, no pass then discovered, (or, at least, the Southwest Pass being supposed the one to be followed,) without timber, without fuel, without water, with gold, I think, at 160, and with iron at $160 a ton, the work hurried up with night and day gangs, working with great rapidity, in order to get the advances from the Government; with half the force employed in keeping Indians off from the other half that was at work; if there had been thirty millions at that time in the treasury, I think the money would have been very soon squandered, and I do not believe that there would have been a road.

Q. Do you not think that, with an honest and efficient administration of the company, if it had had thirty-six millions of cash in its treasury, it could have obtained a contract for building the road for at least twelve

million dollars less than it actually cost?—A. I do not think that economy and frugality could be expected on such conditions as then existed. I do not think that economy was possible. I think that the course of construction was more extravagant than anything I ever heard of—the haste with which the work was done—the outside expenditures which had to be made to render it possible to do it all.

Q. What class of expenditures do you mean?—A. In the first place, there was no road built across Iowa. They had to build a road from Chicago west. And then think of having to pay enormous prices for transporting all the materials up the Missouri River from Saint Louis to Omaha.

Q. What do you mean in speaking of the wastefulness and extravagance in constructing the road? Do you mean to imply an expenditure that was in fact unnecessary, or do you mean to imply an expenditure which you think the then existing condition of things rendered necessary?—A. I would not have spent any money in that way. I would not have put a dollar in the enterprise, because it occurred to me that it was a wild waste of money to think of doing such a thing. These men, however, determined to do it. There was a spirit of adventure about it, of loyalty and of courage, such as I have never known in the history of railroad enterprises. The conditions were utterly inconsistent with anything like prudence or economy, in my judgment; and I am of opinion, (accept it for what it is worth,) that every dollar would have been wasted except for the accidental circumstance of the discovery of coal. Permit me to state one other fact: that, in respect of a road where the problem was whether it could get fuel at all, it gets its fuel to-day as cheap as any railroad on the continent. At the time that road commenced operations they were paying $19 or $20 a cord for wood, the substance of which was not equivalent to more than one-third or one-fourth of a ton of coal.

Q. When was that coal discovered?—A. I cannot tell you; but I think it was while the road was in course of construction. I think that the investment would have been a total loss, and that the road could under no circumstances earn its running expenses but for that circumstance.

Q. You think, as I understand you, that if this thirty-six millions of capital had been paid in in cash it would have been of no use, because the circumstances of the time would have necessarily resulted in an extravagant and wasteful expenditure of that money? Would not that extravagant and wasteful expenditure of money have been prevented by a prudent and conscientious board of directors, or do you think that it would have been impossible to get such a board at that time?—A. Permit me to say that your question assumes that the money could have been paid in; I do not believe it. You are asking me to assume a state of facts which I know did not exist. You could not have got the money. But, assuming that you did get it, admitting that those Boston gentlemen paid up that thirty-six millions, (which I do not believe they would,) the road would have had to be built by days' work. You could have got no contractor to take a contract when he had to freight his material at such vast expense, and where he had to have a standing army to protect his laborers from Indians. I do not think that any prudent responsible contractor would have been found to take the contract at any price.

Q. Do you not think that at the time Oakes Ames took his contract for six hundred and sixty-seven miles of this road, which he agreed to take his pay for in Government bonds and in first-mortgage bonds and in stock of the company, if those directors had had the cash in the

...ary to pay for the entire construction of the six hundred and sixty-... miles as Mr. Ames built it, they could have found responsible ...ractors in the market who would have built it cheaper than he ...?—A. I do not. You could have found irresponsible men who would ...e taken the contract, but would not have performed it.

Q. Could they not have found responsible contractors who would ...e built it any cheaper?—A. I think not. And let me say that I think ... was the wildest contract that I ever knew to be made by a civilized ... That is my judgment and my belief.

Adjourned.

WASHINGTON, D. C., *January* 30, 1873.

Continuation of the testimony of HORACE F. CLARK.

By the CHAIRMAN:

Question. In your testimony yesterday you based some of your opin... and calculations on the question of coal for the use of the road; ... you know when coal was first discovered on the line of the road?—... I remarked yesterday that I had no connection with the road ... that time, and all that I knew of it was its general history. I believe ... there had been reports that Indians had brought in from the plains ...mens of coal. There were rumors about coal, and men who were ... hopeful in regard to the enterprise supposed that they would find ... I suppose it was because of their conclusions from the geological ...ation; but as to an amount of coal accessible for railroad purposes, ... impression was that it was as late as 1864 or 1865 that the fact was ...ertained. I remember to have heard before 1867 that the Union ... Railroad Company was paying $19 a cord for what in New Eng... would be called brush.

Q. You spoke of that matter of coal in connection with the contract ... with Oakes Ames?—A. My attention was not called to the ques... of the contract with Oakes Ames. No mention was made of it in ...mination. My impression was that the road would be good for ... unless available coal for railroad purposes had been discovered. ... no reference to the Oakes Ames contract, nor do I know the ... when it was made.

Q. Did you not say that, when you heard of the Oakes Ames con..., you thought it was the wildest that was ever made?—A. I did ...t.

Q. And did you not at that time also make this observation in refer... to the discovery of coal?—A. I meant my observation as to the ...estion to apply to the running of the road, when built, not to ... Ames contract. The reason why I thought the Oakes Ames ... a wild adventure was because it was building the road with ... question unsettled.

Q. Do you still understand that the fuel question was unsettled when ... Ames contract was made, in August, 1867, and when it was ... in October, 1867?—A. I should think that at that time the ... was quite universal that coal deposits accessible would be found.

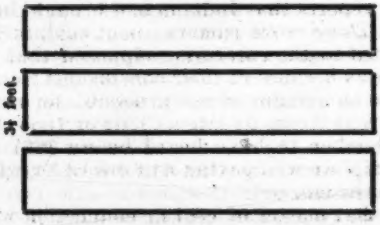
Q. Did you ever examine the report of Dr. Durant, which was made ... heard of directors in regard to the surveys made up to the close ..., a report dated 10th April, 1865?—A. Never, except as part of ... history of the times. I do not recollect that particular re-

port, although I may have read it in the newspapers. I did not refer to the date of the Oakes Ames contract, for until now I did not know it.

Q. Dr. Durant did make a report, dated 10th of April, 1865. I have the report here, and I call your attention to pages 10 and 11 of that report, and ask you to read it.—A. (Reading.) "The first indication of this mineral (coal) in place on the line occurs on Rock or Frapp's Creek, in latitude 41° 43′.

"On the other side of the divide, near the Medicine Bow River, at station 3640 of our line, a seam of coal can be seen 2 feet thick, dipping south-southeast, at an angle of 20°. The coal is inferior in quality, being extremely dry and brittle.

"East of Fort Halleck, coal is again found, probably of the same formation. At both of the places mentioned some mining has been done, the coal from each having been used for blacksmith purposes with success. As to the extent of the deposit east of the North Platte River, the undersigned has no means of basing an intelligent opinion. It may be stated, however, that the places mentioned are not the only ones where coal is found east and north of the Medicine Bow Mountains. The next coal found is near Sulphur Springs stage station of the Overland Stage Company, on Muddy Creek, fourteen miles west of the summit of Bridger's Pass. It is seen at the mouth of the cañon, at a considerable elevation above the stream, and gives the following section:



"This opening has been worked systematically, and is carried in a distance of 40 feet, with but little appreciation in the quality of the coal, it being like that found to the eastward, brittle and imperfectly mineralized. The station of the Overland Stage Company, at Sulphur Springs, is the headquarters of one of the divisions of their line; their blacksmith and repair shops are here. The object in making the coal opening, of which a section is given on the other side, was to save the hauling from Bitter Creek, whence they produce their supply.

"At the shop I found some good specimens from that locality. I afterward visited the opening from which they were obtained, and a specimen is now in your possession; an analysis of it will probably be made. At Black Buttes, thirty miles from the summit of Bitter Creek, and on our line, where this coal occurs, several seams have been opened, one 5 feet, and one 3½ feet of clean coal. Frequent propping is required, in consequence of the broken, fragmentary nature of the roof. This is the hardest and best quality of coal found on the line. It may be stated that these are merely surface openings—other seams may occur at a greater depth; if so, they will be found of a superior quality, having a better roof. Some expenditure in sinking shafts will probably be necessary to determine fully the extent and value of this coal basin. As far as my examination and observation went, from this point (Black Buttes) to near Green River, the coal crops out of the bluffs frequently, and seems abundant."

It is true that one of the reasons why I thought the scheme a wild one was because I thought, at the time, that the coal question was unsettled. In referring to the extravagance of construction I did not mean to reflect unkindly on the gentlemen who saw fit to permit the road to be built under such conditions of extravagance. I did not mean that. That was their policy, and there may have been some compensations. And I ought to have stated what is a conclusion to which my experience has brought me, that extravagance is the law of railroad construction, and the reason is that one class of men advance the money and another class of men spend it. Men spend other people's money.

Q. Did you ever examine the report made by Mr. Reed, one of the engineers of the company? Was he one of the engineers of the company?—A. I do not know. Mr. Seymour is the man whose name occurs to me as the leading engineer of the Union Pacific Railroad Company.

Q. Is this pamphlet which I hold in my hand one of the documents printed by the Union Pacific Railroad Company?—A. (Looking at it.) I do not know. I never saw it until to-day.

Q. I will call your attention to the report made by Mr. Reed, which bears date 24th of September, 1864. Look at page 12 of that report, and read the portions of it which are marked.—A. (Reading.) "Coal is abundant on Bitter Creek, Harris Fork, Sulphur Creek, Chalk Creek, Weber and Bear Rivers. Indications of coal were seen on the Muddy Yellow Creek, and in Echo Cañon."

Q. It would appear from this report that coal had been discovered in 1864, and that it had been reported to the company in 1864 that coal was abundant on Bitter Creek and Bear River?—A. I should judge so from that.

Q. And that there were indications of coal as far as Echo Cañon?—A. I should judge so.

Q. From what points is the company deriving the coal that is being used on the road?—A. From the neighborhood of the Black Hills.

Q. From those points named in this report?—A. From some of them. I think that very little coal is derived east of a line 600 miles west from the Missouri River. They are prospecting all the while.

Q. It is a fact that coal is pretty abundant at those points?—A. The developments of coal are wonderful on the line of the Union Pacific Railroad, and I made the remark yesterday that it was my impression that before long the Union Pacific Railroad Company would be supplied with coal as cheap as any railroad company in the United States.

By Mr. SHELLABARGER:

Q. Yesterday you contrasted the cheapness of the coal now being supplied to the Union Pacific Railroad Company with that supplied to other railroads of which you are president?—A. Yes.

Q. Are those supplies of coal, of which you spoke yesterday as being cheap, from the same regions as are spoken of in the report shown you as made in 1864?—A. Some of them are.

By the CHAIRMAN:

Q. Did you ever examine the report made to the Union Pacific Railroad Company on the 19th June, 1867, by the chief engineer of the company, Mr. Dodge?—A. I do not think I did.

Q. I ask you to read the portion of his report which you will find marked on page 15.—A. (Reading.) "On the western side of this plain across the main range of the Rocky Mountains, about 7,200 feet above the level of the sea, 1,000 feet less than the elevation of Evans's Pass in the Black Hills, and enter the Bitter Creek country on the western

slope of the Rocky Mountains, which is desolate, dreary, not susceptible of cultivation, and only portions of it fit for grazing. All of it is underlaid with immense beds of coal. Timber on this portion of the line, for one hundred and fifty miles or more, is scarce, and the country has no inviting qualities."

Q. Then at the time the Oakes Ames contract was let it was known to the company, through the report of its chief engineer, that there was abundance of coal on the line of the Union Pacific Railroad?—A. If they credited that report, it must have been known, and there is no reason why they should discredit General Dodge's statement; although it is well enough to remark that the reports and prospectuses which are made from time to time in the early history of railroads, for the purpose of influencing investment of capital, are very apt to be colored.

Q. The last report that I showed you was the report of June 18, 1867. I now call your attention to the report of the chief engineer, bearing date December 1, 1867, and ask you to read the portion marked there.—A. (Reading.) "Along Bear River, coal of the brown formation exists in heavy veins, and an analysis of it shows it to be some of the best coal existing west of the Missouri River. It is easy of access, has a solid roof, and will be mined cheaply. The line would pass near the Mormon settlement at Bear River and Soda Springs. Snow in Bear River Valley lies steadily on the ground during the winter, but no enormous drifts would be encountered, as we avoid the heavy snows of the Wahsatch Mountains. A line by this route, with the proper financial backing, could be built at the rate of three hundred miles or more in a year, depending entirely upon the Union Pacific Railroad to bring forward to it iron for the superstructure; ties, timber, lumber, &c., abound, and can be furnished along the line."

Q. Is that the line that was adopted by the company?—A. Substantially. General Dodge's surveys, I believe, were accepted.

Q. Does the road run through what is known as the Evans pass?—A. I think it does. I think that is the pass through which it was built.

Q. If I remember correctly, you stated yesterday that you regarded this as being a very wild contract to make, for the reason that they were making a road without a route?—A. I mean the whole scheme.

Q. Do you wish to be understood as saying that these gentlemen did not know the route over which they were to build this road, before they let the contract to build it?—A. I do and did mean to say that I did understand it; that when the project was set on foot, they expected to use the Southwest Pass, and that the cost of the road would have been very much greater, if it had not been that General Dodge, or some engineer, had discovered another route which was practicable, and which they got over with grades not exceeding 90 feet to the mile.

Q. Did you understand that that discovery was not made until after the Oakes Ames contract was let.—A. I am informed to-day that the Ames contract was made in August, 1867. I should rather think that they had perfected their surveys before that. The general impression among railroad men was that they had relied upon Government surveys, which were found erroneous, and that their own surveyors discovered the route through which the road was built. I should think it was earlier than 1867.

Q. And that they understood the general route of the road before the Ames contract was made; that is your understanding, is it not?—A. I should think before 1867, but I may be mistaken on that question. I thought that they had not a defined route or defined grades, and the impression on my mind was that they would have to encounter one

hundred and eighty feet grades. I think they did not actually encounter any grade beyond ninety feet.

Q. Was it not understood or known where the route of the road was to be, before the Oakes Ames contract was let, and was not all that was undetermined as to the particular point or place along the route where they would lay the track?—A. The general route, I think, was determined.

Q. And what was undetermined was as to the particular place where they would put the track?—A. They call it pass—the particular depression in the range of the hills.

Q. They understood these depressions before they let the contract, did they not; that the road would go through the Evans pass?—A. I think so; I think Mr. Dodge must have known it. He was many years on the plains.

Q. I call your attention again to the report of Mr. Dodge in 1866, and ask you to read the portion of it marked.—A. (Reading.) "This line up Lodge Pole Creek, over the divide between it and Crow Creek, thence up the divide between Crow Creek and Lone Tree to Evans's pass, being the one finally adopted by the company, I will give the grades necessary, note some of the peculiarities of the route, and, at the same time, give such information as I have been able to obtain on that part of the line extending from Julesburgh to the crossing of the Laramie River."

I refer to the particular pass as bearing on the question of grades, which is an immensely important question with reference to a heavy road. I have always been informed that there were much heavier grades expected to be encountered than were actually encountered.

Q. Look at Appendix B, referred to in General Dodge's report.—A. (After examining it.) Ninety feet is the highest grade here.

Q. What is the highest grade now on the road?—A. I think 90 feet, somewhereabouts. We call it 90 feet.

Q. Then, in 1866, when this report was made, it was known that a grade of 90 feet to the mile was the maximum?—A. That is manifest.

Q. Is it not the fact that as early as 1863-'64 they had made discoveries of iron ore in large quantities along the line of the road?—A. I think they had in the Black Hills at an earlier date than that.

Q. Read another extract from this report.—A. (Reading.) "During the survey of this season I resolved to investigate the matter further. Starting from Camp Walback in company with Mr. Van Lennep, and following up the trail on the Chugwater, we succeeded in finding the bed fifteen miles from where the water-washed nodules were first discovered. It occurs in a massive formation in the primary rocks. It may be stated to be inexhaustible. It is certainly rich in iron, and, unless the chemical constituents are such as to interfere with its reduction, it cannot be otherwise than valuable. I take it for granted that Mr. Van Lennep will give further information about it, and trust that a proper analysis will be made of it to fully determine its character."

Q. So that before this Oakes Ames contract was let the board of directors of the Union Pacific Railroad Company knew the formation of the country, the maximum of grades, the iron deposits, the coal deposits, and the facilities in the way of timber along the line of the road, did they not appear from these reports?—A. It would seem so. Whether the coal will make iron is, I believe, a subject not fully determined. We have been investigating with an attempt to make iron

where the coal and the iron come near together. It would seem that the conclusions at which you arrive are substantially by this report.

Q. And what is known as the Evans Pass had been discovered before that time?—A. Evidently.

By Mr. SLOCUM:

Q. When did you first become a stockholder in the Union Pacific Railroad?—A. After the 1st of January, 1872; just about a year ago, I should think.

Q. That was after the legislation on this interest question?—A. The interest question was set at rest in March, 1871. There has been no new agitation of the question until since March, 1872.

Q. You never had had any interest at all in the road until that time?—A. I never had owned for a single moment a single bond or share of the stock, nor would I own any now but for that legislation. The act of March 3, 1871, is what I refer to.

Q. Where are the transfer-books of the company kept?—A. I believe the stocks are transferred both in Boston and in New York. We have a transfer-office in New York. The larger transactions are there, but we still transfer in Boston. The market there, however, is a very limited one.

Q. Can you give the committee anything like any idea of the rapidity with which this stock changes hands?—A. I do not know that it would be extravagant to say that it changes hands like bank bills. The dealings are very large. I think that the whole amount of capital stock has been sold more than ten times over during the last year. The transactions in the stock are large, and have been since January, 1872. It is one of the active, leading, speculative stocks in the market of New York.

Q. It is safe then to say that the entire capital changes hands at least once a year?—A. An amount equivalent to the capital stock is sold over many times in the course of a year. It is a speculative stock; and the dealings in speculative stocks are much larger than the dealings in investment stocks.

Q. Since you became president of the Union Pacific Railroad Company has any money been used to influence legislation in Congress?—A. Not one single cent.

Q. Has any money been used, directly or indirectly, to carry elections?—A. Not one single cent.

Q. Has there ever been an attempt made to draw money from you either to effect legislation here or to prevent legislation?—A. It has been suggested to me very often that matters in Washington should be looked after. Congress has the same jurisdiction over those interests amounting to hundreds of millions of dollars in the market, taking bonds and stock, that the State legislatures have; and it has been suggested to me very often to see to it by the ordinary appliances, lobbying, &c., that our interests were not assailed. I have always refused to listen to any suggestions of that kind, and can state with positiveness that not one shilling has been spent even for lobby purposes. I do not know but that there may have been some agencies here touching the accounts with the Departments. For instance, if there is a balance of money due by the Departments somebody has got to run it down or we would never get it perhaps. I do not know but that there may have been some sort of employment in connection with departmental business, but I am not aware even of that.

Q. Did you ever have a communication from any one here saying that there was danger of bills being introduced that would injure your road?—A. I had.

Q. And that the introduction of such bills could be prevented by the use of money?—A. By some sort of intervention.

Q. Have you copies of any of those communications?—A. I have.

Q. I should like to see them.—A. I will produce them. I was elected on the 6th of March, 1872. Early in the month of April there was a sudden depression in the stock market in the stock of the Union Pacific Railroad Company, and it was rumored in Wall street, which is the headquarters of speculative dealings, that the depression proceeded from short sales from Washington. That was on Friday previous to the 7th of April, 1872. I felt it to be my duty to endeavor to ascertain the extent of the short sales. By short sales I mean speculative sales, where a man sells what he does not own to profit by a fall in the price. I was informed and believed that those short sales on orders alleged to be from Washington looked to a new raid, as it is called. The assailments of the Union Pacific Railroad Company are known in Wall street by the name of raids, and this was supposed to be the precursor of a new raid. This was on a Friday afternoon. On Saturday I got a letter disclosing the plan, which was that on the Monday following, being resolution day, a resolution would be introduced in the House to open the interest question, which naturally excites alarm among bond and stockholders, because to them it is a very serious question. There are names connected with that raid which perhaps were unjustly connected with it. That I cannot help. I investigated it so far as to become satisfied that the gentleman who brought the details of the scheme to break down the stock before me was not in the conspiracy to injure, but wished to put me on my guard. I became satisfied on that point. On the 5th of April I received a telegram in these words:

"WASHINGTON, D. C., *April* 5, 1872.

"To HORACE F. CLARK,
"*President Union Pacific Railroad, New York:*

"Get very important letter in morning. Act on it without fail or delay.

"GEORGE B. COWLAM,
"*Care General Butler.*"

In answer to that telegram I telegraphed as follows:

"NEW YORK, *April* 6, 1872.

"To GEORGE B. COWLAM,
"*Care General Butler, Washington, D. C.:*

"Message received, but letter has not yet arrived. Had you not best telegraph me in full to No. 10 East Twenty-Second street?

"H. F. CLARK."

This was on Saturday. On the same day I received another telegram, as follows:

"WASHINGTON, *April* 6, 1872.

"To HORACE F. CLARK, 10 *East Twenty-second Street, New York:*

"Two very important letters, addressed Horace F. Clark, president Union Pacific Railroad Company, New York, went in last night's mail. Get them at once. It is of utmost importance for you to be here tomorrow morning if any way possible. Legislation ruinous to Union Pacific will be introduced in Congress on Monday unless prevented.

Telegraph if you will come to-night, and will meet you at Arlington morning.

"GEO. B. COWLAM"

The letter referred to came in the evening—one of them—and this a copy:

"WASHINGTON, *April* 5, 1873.

"MY DEAR SIR: Since writing you earlier in the day I have telegraphed you. On further examination I find the matter to be worse even than I then thought, and the combination stronger. Unless immediate action is taken to head off and defeat this movement, it will result in a loss of many millions to the Union Pacific Railroad. It must *be headed off*, but to do it you or some one who can act for you promptly and fully should be here on Sunday morning to meet me. It will be a hard fight, but must be a short one, and there is not an hour to lose.

You do not know me. I am private secretary of General Butler of Massachusetts, but have said nothing to him, nor to any one, of the matter, and shall not until I see you. I find the measure has been engineered very carefully for some time by one of the most indefatigable workers in the House, and he has behind him a money power and influence and interest in the success of the plot that is more powerful than anything else here. Prompt action, however, can defeat, punish, and cower them so they won't want to try it again. I cannot too much impress on you the importance of immediate action here.

"In haste,

"GEO. B. COWLAM"

And here let me say that at this stage I considered the question as to my duty. It was Saturday night. I determined that I would not call together the executive committee of the Union Pacific Railroad Company, and that, let whatever might be the hazard, I would not spend a dollar. I did not know how much had been previously spent, but I thought it was time to call a halt. On Sunday, the 6th of April, I connected the wires at the Fifth Avenue Hotel with Washington, and sent this dispatch, which I will read to the committee, because it states the position which the Union Pacific Railroad Company, under its present administration, took in regard to the matter:

"NEW YORK, *April* 6, 1873.

"To GEORGE B. COWLAM,

"*Care of General Butler, Washington, D. C.:*

"I telegraphed you this p. m., informing you that the letter mentioned in your dispatch of yesterday had not arrived.

"On reaching my house, at six o'clock this afternoon, I found one letter from you, dated yesterday, which came through the carriers' delivery. At about the hour of seven this evening your telegram of to-day was received, in which you inform me that two important letters, addressed to myself as president of the Union Pacific Railroad Company, had been placed in last night's mail.

"The letter received by me refers to one addressed to me by you earlier in the day.

"I regret that the first letter has failed to arrive, as I presume it must have contained a more specific statement of the impending calamity.

"My engagements here on Monday prevent me from going to Washington.

"I am not informed of the character of the 'ruinous legislation' of the

introduction of which in Congress, on Monday next, you advise me, nor does it occur to me how 'it can be headed off,' unless by the purchase or bribery of the indefatigable worker in the House to whom you refer. As you do not name him I cannot judge of his intention, and should not, if in Washington, attempt to influence the vagabond to withhold his nefarious proposition, whatever it may be; and if it be that the mere introduction of a proposition in Congress can result, as you say, in 'a loss of many millions to the Union Pacific Road,' it is quite as well that the owners of the property should be now informed of its precarious condition. I do not believe that the directors of the Union Pacific Railroad Company would sanction the expenditure of one single dollar to avert a blow of the kind you designate.

"You are not, perhaps, aware that in some of our State legislatures propositions of an exceptional character, of dangerous tendency to rail roads and other great interests, are sometimes introduced on resolution days to affect the stock-market. False reports are sometimes resorted to to the same end. I have not supposed that the House of Representatives could be made available for enterprises of this description; but however this may be, I know of no way in which the mischiefs resulting from such transactions can be averted except by securing the election of respectable men to represent positions in legislative bodies.

"No property can be more secure than the character of the Government, to the jurisdiction of which it is subject, will permit. To attempt to buy your peace from strikers of this class is to encourage the very spirit which impels the attack.

"A rumor has prevailed in Wall street this afternoon that some resolution of fearful import to the Union Pacific Railroad Company was to be offered in the House on Monday, and the market price of the stock has been thereby considerably depressed. Whether this is or is not the ground of scare to which your attention has been called, I cannot determine from the facts before me.

"If you feel at liberty to inform me by telegraph of the precise nature of the catastrophe to avert which you are kind enough to offer your aid, the executive committee of the company shall be informed, to the end that they may consider their duties in the premises; but, without more definite information than I have already received, we must abide the result, not unmindful that the authors of these conspiracies themselves sometimes become the only victims.

"An answer to this telegram, addressed to my house, will reach me at any time.

"If you can forward by to-morrow's mail a copy of your first letter, or the substance of it, if a copy was not retained, I shall be glad to receive it.

"HORACE F. CLARK."

I sent that telegram to that gentleman. Mr. Poppleton, the counsel of the company, was in New York or the neighborhood, and was sent for to go to Washington. He left New York on Sunday evening, came on here, and undertook to place the correspondence in the possession of every member of the House, so that, if a resolution were offered attacking the Union Pacific Railroad Company, the whole thing might come out. On the same day I received the following answer to that telegram:

"WASHINGTON, D. C., *April* 7, 1872.

"To H. F. CLARK, 10 *East Twenty-second street, New York:*

"Your long message just received. I cannot understand your failure to get my first letter, and still less the misapprehension and discourtesy

of your telegram; but, as it seems to me the emergency is very [illegible] if you can suggest any one here with whom I had better confer, or, if you desire to talk over the wires to-day, I will come to the telegraph office. I will write to-night, addressed to No. 10 East Twenty-second street, but fear letter will be too late to be of much account.

"GEO. B. COWLAM."

To that I sent this reply:

"NEW YORK, *April 7, 1872.*

"TO GEORGE B. COWLAM,

"*Care of General B. F. Butler, Washington, D. C.:*

"Your telegram of this morning received. I regret that you deem me of yesterday discourteous. It was not so intended. I have assumed that your intervention was friendly in its character, and I felt no embarrassment in freely expressing my views relative to legislative stock-jobbing transactions. As the emergency seems to be, as you state, considerable, I have requested Mr. A. J. Poppleton, of Nebraska, who is the friend and adviser of the Union Pacific Railroad Company, and who has our entire confidence, and who is now in this city, to go on to Washington to-night and meet you there to-morrow morning. He will stop at the National Hotel. You are at liberty to say to Mr. Poppleton whatever you would say to myself. He is fully authorized to represent the Union Pacific Railroad Company in the matter referred to, and will take such course as under all circumstances he shall deem expedient.

"Please inform me by telegraph of the receipt of this, and add any further suggestion which may occur to you.

"HORACE F. CLARK."

Mr. Poppleton, by my directions, came on to Washington that evening. He will inform you as to what my instructions to him were in regard to expenditures. I said to him that the Union Pacific Railroad Company would not spend one cent to head off any resolution or any action; that if Congress chose to destroy the property they might do it.

Q. What was the result; was anything done on that Monday?—A. Mr. Poppleton informed me that a motion was made in the House to suspend the rules for the purpose of introducing a joint resolution in reference to the Pacific railroads, but that a member had this correspondence and objected.

Q. Who made the motion?—A. I do not know.

Q. What day was it?—A. Monday, the 7th day of April. The member in whose hands Mr. Poppleton put those papers offered to permit the motion to come in if he might introduce the correspondence.

Q. You have never had any conference with the member who introduced the resolution?—A. Not one word. I said not one word to any member of Congress on the subject of the Union Pacific Railroad but yesterday, when I called upon Senator Edmunds, who had offered an amendment to an appropriation bill in the Senate which, I thought, invaded the rights of the Union Pacific Railroad Company. I called and spoke to him an explanation of the subject. I do not think I have ever spoken to any member of Congress on the subject with that exception.

Mr. SLOCUM, referring to the proceedings in the Congressional Globe of the 7th of April, 1872, read as follows:

"GOVERNMENT FREIGHT ON PACIFIC RAILROAD.

"Mr. NEGLEY. I ask unanimous consent to introduce, for reference to the Committee on the Judiciary, a joint resolution in relation to pay

rants to the Pacific Railroad Companies for transportation of Government freight.

"Mr. BROOKS, of New York. I object, and call for the regular order of business.

"Mr. NEGLEY. Then I move to suspend the rules, so as to enable me to introduce the joint resolution and have it referred.

"The SPEAKER. A previous motion to suspend the rules comes over from Monday last.

"Mr. NEGLEY. Then I make the point of order whether it is proper for a stockholder in the Pacific Railroad Company to object to my introducing a joint resolution.

"Mr. BROOKS, of New York. Is it in order for an instrument of Wall street, a speculator in Pacific Railroad stock, a mere tool and agent of Wall street, to prepare and introduce a joint resolution of this character?

"Mr. NEGLEY. I deny all and every statement the gentleman has made.

"Mr. BROOKS, of New York, (holding up some papers,) I hold the proofs here in my hand. I knew this was coming, and had this proof sent me by telegraph; I would like to have these proofs read.

"Mr. NEGLEY. I have no objection at all.

"The SPEAKER. During the morning hour of Monday, the States and Territories are called audibly and at length for the introduction and reference of bills and joint resolutions. After the morning hour is over those gentlemen who were not in their seats when their States were called are permitted by unanimous consent to introduce bills for reference.

"Mr. KENDALL. I ask unanimous consent to introduce a bill for reference.

"The SPEAKER. The gentleman from New York (Mr. Brooks) has called for the regular order of business.

"Mr. BROOKS, of New York. I will withdraw that call to let the gentleman from Nevada (Mr. Kendall) introduce his bill.

"The SPEAKER. Does the gentleman withdraw his objection to the joint resolution of the gentleman from Pennsylvania? (Mr. Negley.)

"Mr. BROOKS, of New York. I will withdraw it, if he will permit me to introduce these documents I have in my hands.

"Mr. NEGLEY. I have no objection. I have no interest in the Pacific Railroad. I have never owned a dollar of its stock, and I am not a tool of anybody, nor am I an instrument of Wall street.

"The SPEAKER. The Chair cannot permit debate upon it; it is a matter of unanimous consent.

"Mr. BANKS. I object to any debate of any character, personal or otherwise.

"The SPEAKER. The question is, shall the gentleman from Pennsylvania (Mr. Negley) have leave to introduce the joint resolution he has referred to?

"Mr. BROOKS, of New York. I will not object, if he will permit me to have read all the documents I have in my hand.

"Mr. NEGLEY. I do not object.

"The SPEAKER. The Chair cannot entertain conditional objections. It is the absolute right of any gentleman to object.

"Mr. HOOPER, of Massachusetts. I object, and call for the regular order of business."

The WITNESS. I do not think that there was any further raid, as we call it, at that session, (Congress adjourned early that year;) but not

one shilling was expended, except, perhaps, Mr. Poppleton's expenses to Washington. He was sent here because it might be necessary for him to have gone before a committee and represented the effect of any resolution that might be introduced in Congress, on the public and private interests involved in the Union Pacific Railroad.

By Mr. SLOCUM:

Q. It is in evidence here that the board of directors met on the 12th of December last and adopted a resolution for the issuing of sixteen million dollars of new bonds. Explain the purpose for which these bonds were to be issued, and the reason why you refrained from issuing them.—A. We have falling due in 1874, if my memory serves me right, or in 1875, as some of my colleagues in the board say, (but I think in 1874,) ten million dollars of ten per cent. income bonds. That is a rate of interest which it seemed to me and my colleagues we ought not to pay. Within two or three months past a large number of forged coupons of that class of bonds have appeared upon the market, I think 180 or upwards, showing that there are forged bonds out to the amount of at least $180,000. Many of those coupons have been paid. The circumstance of there being forged bonds out of that class, led to a discredit of the bonds and to a fall in the market. Under these circumstances and with these bonds maturing so soon and at such a high rate of interest, we thought there was no time to be lost in providing means for their withdrawal. These are printed bonds and easily counterfeited. Any man in the country who can print a newspaper can counterfeit them. There being a demand by the board of brokers of New York, where these securities are bought and sold, that an engraved bond should be substituted, which, by the high order of its art, protects against rude counterfeits, we resolved to issue a new loan of $16,000,000, the purpose being to provide means to exchange with those income bonds, if the holders will exchange them, or, if not, to redeem them at maturity. Those who hold them till maturity will, of course, demand payment at par. The amount of discount on the negotiation of the new loan would depend, of course, on the credit of the company, which might be affected by just such questions as this interest question. But the company cannot repudiate, and must provide the means to pay that debt. It may require thirteen millions of new bonds to do it, or twelve millions may do it, or ten millions may do it, if the credit of the company be good. These bonds were then ruling in the market at about 88. The proceedings in Congress in reference to the interest question have reduced them to about 71. They were 73 yesterday. They were then about 88. We proposed, when the new bonds were ready for issue, engraved in the highest order of art, so that there should be no more counterfeiting, to exchange them at par for the income bonds; or if not to set them aside to meet those income bonds at maturity. The rate of interest that we fixed for the new loan was 8 per cent. currency and 7 per cent. gold, with the sterling rate adjusted and fixed in the bond. We provide a sinking fund of 1 per cent. on the amount issued, and we embrace our lands in the mortgage. That is the new class of bonds.

Q. Why have you not issued them?—A. They are being engraved. It takes a long time to engrave them in the highest order of art. We are going on with the work, of course, and a good many holders of income bonds have consented to make this exchange. There is a good deal of distrust about these income bonds. They are sent to the treasurer's office at Boston and are there examined and stamped as genuine,

it is just as easy to counterfeit that stamp as to counterfeit the bonds. The balance of the sixteen millions was intended to extinguish the floating debt, so as to relieve the company from the necessity per- of paying high rates of interest. The company has paid its inter- always, and paid the interest on these counterfeit bonds in the first instance, but where responsible parties presented the coupons we col- back from them.

Q. Is there any difference of opinion among the directors as to the propriety of that act?—A. Not the slightest. The resolution was adopted by a unanimous vote. I think that the matter was up for con- two days. I think that the first day there was a division of on the question, because of the want of some statement which had not been formally presented to the board. On the next day there was no division.

By Mr. HOAR:

Q. You stated that the sales of the stock of the Union Pacific Rail- Company had been very large during the past year, so that you that an amount equal to many times the entire capital changed during the year?—A. Yes.

Q. Can you form an opinion as to how largely the present holders of stock are persons who had no interest in or connection with the more than twelve months ago?—A. I have no doubt that the great of them are. I will say that three-fourths of the bonded debt, and more, are held by innocent purchasers and innocent parties who no connection with the road when it was being built. The great of the stock is held by innocent third parties, who had no more connection with the Credit Mobilier than any of you gentlemen. Some men who were interested in the Credit Mobilier have always been, a greater or less degree, holders of the stock. The stock is saleable; can sell it in a minute, and people sell it in view of a raid, or they with conditions of confidence.

Q. Can you obtain for the committee a list of the holders of the at the end of the last month, and the number of shares held by person?—A. Let me remark, in respect to a speculative stock: Erie, or take any non-dividend-paying stock, in respect to the of which there are uncertain elements. The stock is not trans- it is only the dividend-paying stocks where you can find, at any time, the owners. This stock floats like a bank-bill, without to the name of the party who is the registered owner. We close our books, but even then people would not transfer their A gentleman living in Washington, or a woman living in the of the country, may own a hundred shares of Union Pacific stock, and it may stand in my name, or in your name, or in body's. There is no mode by which you can put an ear-mark on current as a speculative stock in Wall street. But I feel it my to say to this committee, that the great bulk of the bondholders in Union Pacific Railroad Company, and the great bulk of its stock- are innocent in respect of all the matters alleged, touching the Mobilier, or touching any effort to bribe Congress. They knew about it. The Union Pacific Railroad bonds have been rather investment, because they were cheap bonds, and at a high of interest. In respect of the stock, a very large majority of it is by parties who have had no relation of any kind with its previous They are what may be called innocent third parties. Those I represent.

By Mr. SHELLABARGER:

Q. How do you, on the election of officers of the Union Pacific Railroad Company, ascertain who are entitled to vote on its stock?—A. We give notice of the election in advance. We keep the books open to a day certain, to permit transfers; then we close the books. On the record, as it stands at the close of the books, the vote is taken. A person who owns stock looks at his certificate, and if he finds it standing in the name of a gentleman in the direction in whom he has confidence, he does not transfer it. Then there has been, heretofore, a stamp-tax of twenty-five cents on each transfer. That stamp-tax is now removed, yet, the result is that stock is not transferred, except where the stockholder is dissatisfied with the administration and desires a change. Then, by transferring the stock to his own name, his proxy is the one that votes.

Adjourned.

WASHINGTON, D. C., *January* 31, 1873.

Examination of HORACE F. CLARK continued:

Mr. SHELLABARGER, (to witness.) I wish to ask a few questions, addressed to you both as president of the Union Pacific Railroad and as a person expert in matters relating to the construction and management of railroads. In order to ask the questions intelligently, I wish to make a statement to you in relation to some things that are disclosed by the testimony before the committee. It appears by the testimony that on the 16th of August, 1867, a contract was made with Oakes Ames by the Union Pacific Railroad Company for the construction of six hundred and sixty-seven miles of road extending westward from the one hundredth meridian. That contract stipulated for the payment to Mr. Oakes Ames of certain amounts per mile—for the first one hundred miles, $42,000 per mile; for the second division, one hundred and sixty-seven miles, $45,000 per mile; for the third division, one hundred miles, $96,000 per mile; for the fourth division, one hundred miles, $80,000 per mile; for the fifth division, one hundred miles, $90,000 per mile; and for the sixth division, one hundred miles, $96,000 per mile. Then, on 15th October, 1867, there was made what is called an assignment of the contract, which is also sometimes called the tripartite agreement, in which Oakes Ames composed the first party, the seven trustees the second party, and the Credit Mobilier the third party. Among the stipulations (and the only one that I care to call your attention to now) is the fifth one, as follows:

"*Fifth.* To pay over, on or before the first Wednesday of June and December in each year, or within thirty days thereafter, his just share and proportion of the residue and remainder of the said proceeds and avails as shall be justly estimated by the said trustees to have been made and earned as net profit on said contract, during the preceding six months, to each shareholder only in said Credit Mobilier of America, who, being a stockholder in the Union Pacific Railroad shall have made and executed his power of attorney or proxy, irrevocable, to said several parties of the second part, their survivors and successors, empowering them, the said parties of the second part, to vote upon at least six-tenths of all the shares of stock owned by said shareholders of the Credit Mobilier of America in the capital stock of the Union Pacific Railroad Company,

on the day of the date hereof, and six-tenths of any stock in said Union Pacific Railroad Company he may have received as dividend, or otherwise, because or by virtue of having been a stockholder in said Credit Mobilier of America, or which may appertain to any shares in said Union Pacific Railroad Company which had been so assigned to him at the time or times of the distribution of the said profits as herein provided; and this trust is made and declared upon the express condition and limitation that it shall not inure, in any manner or degree, to the use or benefit of any stockholder of the Credit Mobilier of America who shall neglect or refuse to execute and deliver unto the said parties of the second part his proxy or power of attorney, in the manner and for the purpose hereinbefore provided, or who shall in any way, or by any proceeding, knowingly binder, delay, or interfere with the execution or performance of the trust and conditions herein declared and set forth."

Now there is testimony tending to show that at the date of the Oakes Ames contract in August, 1867, and prior thereto, the parties, stockholders of the Credit Mobilier, had an understanding with Mr. Ames that they were to share in the benefits of his contract. Among these statements of that character is this one. Mr. Alley testifies: "The contract was not given to the Credit Mobilier on account of the feeling against it on the part of the chief men and managers of the Union Pacific Railroad Company; but they gave it to Mr. Ames, and all the parties interested had perfect confidence in him that he would do what was right, and would give to every man an interest such as belonged to him."

Further, Mr. Bushnell makes this statement: "You ought to know that, although there was no written contract, it was a distinct understanding that a contract should be made, and that the contractor, if not the Credit Mobilier, should be some one who would give the benefits of the contract, any profits to be made from it, to the holders of the Credit Mobilier stock. That was a distinct understanding."

Mr. John M. S. Williams had a contract for making part of the road, which was afterward embraced in the Oakes Ames contract. He testifies: "It was understood that we were dealing with ourselves to get the control in the right hands. We were identical in interest. The Credit Mobilier and the Union Pacific Railroad Company were the same identical parties. We were building it for ourselves, by ourselves, and among ourselves. There was not $20,000 outside interest in it."

Further on, in the examination of Mr. Williams, this question is put to him: "Q. Do I understand you to say that, when your contract was taken in January, 1867, already at that time there had come to have been an understanding between the Union Pacific Railroad Company and the Credit Mobilier that any profits that were made on your contract would inure to the benefit of the Credit Mobilier, and that, therefore, they would inure to the benefit of the stockholders of the Union Pacific Railroad Company, because they were substantially identical?—A. Yes, sir. Q. Was that also true at the time of the letting of the Oakes Ames contract, that all benefit and profit that could be derived from that would inure to the benefit of the stockholders in both corporations?—A. I was not a party to that until a long time after it was made. That was my understanding of it, however."

Now there is another feature. It appears that at the letting of the contract for six hundred and sixty-seven miles to Oakes Ames, extending from the one hundredth meridian westward, there was about one hundred and thirty-eight miles of the road completed and accepted by the Government, and that when the work was afterwards let to Oakes Ames, this completed and accepted part was embraced in his six hun-

dred and sixty-seven miles, and that those prices which Mr. Ames was to get, which I have stated to you, were paid and allowed for the entire line let to him, including that which had already been so completed and accepted—which I understand to be about one hundred and thirty-eight miles. There is testimony before the committee tending to show that this one hundred and thirty-eight miles thus completed had cost, including the rolling-stock, about $27,500 per mile. Now, in relation to that matter this question is put to Mr. Durant: "Q. To strip this thing of all verbiage and circumlocution, is it not the fact that the difference between what these two hundred and thirty-eight miles had cost the Union Pacific Railroad Company, and the amount which it was let for under the Oakes Ames contract, composed the assets out of which this dividend was declared?—A. It did certainly. Q. You call it profits; is it not just simply the increased price that was paid under the Oakes Ames contract over the cost of construction?—A. Yes, sir." Now, the only other additional testimony to which I desire to direct your attention relates to the dividends that have been declared as profits under the contracts. On the 12th of December, 1867, a dividend of 60 per cent. in first-mortgage bonds of the Union Pacific Railroad Company was declared, amounting to $2,543,208.

On the same date a dividend of 60 per cent. in stock of the Union Pacific Railroad Company was declared, amounting to $2,543,208.

On the 3d of January, 1868, a dividend was declared of 20 per cent. in first-mortgage bonds of the Union Pacific Railroad Company, amounting to $748,000.

On June 17, 1868, a dividend of 60 per cent. in cash was made, amounting to $2,201,204.

On the 8th of July, 1868, an allotment was declared of 30 per cent. in cash, amounting to $1,112,768.

On the 3d of July, 1868, an allotment was declared of 75 per cent. in first-mortgage bonds, amounting to $2,804,050.

On the 29th of December, 1868, there was an allotment of 200 per cent. in stock of the Union Pacific Railroad Company, amounting to $7,500,000.

That foots up $19,352,474. To that is to be added a dividend of 12 per cent. for the years 1866 and 1867.

Now, my first question, based upon the history of this transaction, is to know of you as an expert whether that dividend of the assets of the corporation is in accordance with sound usage and business transactions in the construction of the railroads of this country?—A. In many respects I should say that that dividend was unprecedented. In some particulars, perhaps, it was not. In the early history of railroads, going back forty years, the usual course was to obtain subscriptions to capital stock, or to obtain money on loans on the bonds of the railroad, and then to have the money thus subscribed and borrowed disbursed in the construction on account of stockholders. That was the case, I think, in respect of all the roads up to, say, fifteen years ago. The result was that in most instances the stockholders lost all their money. As a general rule, the first set of stockholders, the first contributors, lost all their money. Of late years this plan of forming construction companies to take to themselves all the stock and all the securities, and to build the road, has been resorted to, and has not been regarded as any violation of sound business principles. The great distinguishing feature of this case is, that the gentlemen who formed this construction company were themselves the directors of the corporation with which the company dealt. I have known within the last five years of construction companies in the case

of several railroad projects, but this is the first case I ever knew where the parties were identical. The construction companies, as a general rule, were composed of parties who dealt with the railroad corporation at arm's-length; and it has not been uncommon for those construction companies to take all the securities of every description of stock and bonds, and turn over the road finished according to their contract; but when the construction company becomes the judge of the completion, and when the dealing is between the same parties, then it encounters a principle of equity jurisprudence with which lawyers are familiar. I think that at the present time it is almost impossible to raise the capital to build any railroad by the ancient methods. There were peculiar circumstances in this case, which perhaps rendered it impossible to raise the capital by those ancient methods to build this road. But I speak irrespective of the question of the relation of trustee and *cestui que trust* that existed in this case.

Q. Is it the opinion of the present administration of the Union Pacific Railroad Company that the transactions which I have described in the question are such as do not entitle the Union Pacific Railroad Company to call upon the gentlemen who procured this division of profits to account to the Union Pacific Railroad Company for any part thereof; and, so far as you know, is it the purpose of the Union Pacific Railroad Company not to call upon them so to account?—A. This question has not been considered by the board of directors of the Union Pacific Railroad Company since my administration; the facts have never been fully developed; at all events never until now. To what extent the subject has been considered by individual directors, I cannot say; it has been agitated more or less among the stockholders. I have, myself, considered it under the lights presented, although I still think that all the facts are not as yet fully developed. It is alleged, from the developments in the course of this examination, that the Union Pacific Railroad Company, as a corporation, assented to this Credit Mobilier arrangement under its corporate seal, and it would be, perhaps, urged that the company is estopped from setting up the wrong. It is also asserted, whether true or not, that every stockholder in the Union Pacific Railroad Company assented to the transaction. To-day you assert that all assented, with the exception of the holders of $20,000 of stock. Assuming that every shareholder in the Union Pacific Railroad Company assented to that arrangement, and cannot complain of it, because of special frauds in its consummation, there might be urged an estoppal, and the question that would be left would be, whether it is competent for parties owning the stock to give an assent, and then to dispose of their stock to innocent third parties shorn of those equities; that, perhaps, is a new question. There are difficult legal questions which may arise in the matter. There has been no formal consideration of the case, and will not be until the facts are so far developed that all the legal and equitable rights can be ascertained.

Q. I will now read a part of the eighteenth section of the act of Congress of 1862, which has not been modified by subsequent legislation, and which is as follows:

"And the better to accomplish the objects of this act, namely, to promote the public peace and welfare by the construction of a railroad and telegraph line, and keeping the same in working order, to secure to the Government at all times, particularly in time of war, the use and benefit of the same for postal, military, and other purposes, Congress may at any time, with a due regard for the rights of said companies named herein, add to, alter, amend, or repeal this act."

I ask you now, in view of the principles of equity jurisprudence, and also of those provisions of the charter, whether it is the opinion of the government of the Union Pacific Railroad Company that it is not the obligation of that company to enforce the collection of those assets which have been divided in the way described in my question; and this, especially in view of the rights which the Government of the United States has in the premises. And, I add, is there any estoppal that would prevent the Government and your company, as its representative, from so enforcing such collection?—A. We recognize the fact that this is a public franchise, created by eminent domain, and subject to the control of the sovereign power, as are all franchises. The franchise was not only to build and maintain the railroad, but to secure to the Government, in time of war as well as in time of peace, the use and benefit of the road for postal, military, and other purposes, and we recognize the power of the Government that created, to destroy; we have not raised the question as to the powers which may rightfully be exercised by the Government under the provision of the charter, authorizing additions, alterations, amendments, and repeal. The State charters of railroads reserve the same powers, and it is perhaps an open question whether the prohibitions of the Constitution of the United States against States impairing the obligations of a contract apply to the Government of the United States at all. I do not recollect any provision of the Constitution of the United States which prevents the Federal Government from impairing the obligation of contracts. The moral question is still left open, whether the Government of the United States could make such an addition, amendment, or repeal, as would violate the private rights of third parties who have reposed on the faith of Government acts. Your question involves another point to which I have given some consideration. What is the right of the Government in this property, irrespective of the public franchise? The Government made no gift to the Union Pacific Railroad Company except of lands and right of way; the term "subsidy" is used in connection with the loan of the credit of the Government. The Government lent its credit, and took a lien in the nature of a second mortgage on the road for the amount of $27,000,000. The Government paid no money; it merely lent its credit. It gave every alternate section on account of the valuable consideration which inured to it of rendering the sections retained of some value. The relation of the Government to this company in respect of its property is nothing more nor less than that of a creditor with a lien. I have never been able to see how the Government is injured, provided the road is maintained and the Government debt is paid. But it is said that that debt has not been paid. We allege, and I think with great reason, that it was the contract that this credit should be lent for thirty years; that interest should not be exacted, except by withholding one-half the transportation money, (I mean under the law of 1864.) Now, I do not concede, nor do I think that any right-minded lawyer will claim that under the authority to alter, amend, or repeal the act, the Government can change the bargain. The 5 per cent. derivable by the Government under another section of that charter, after the completion of the road, does not, on a fair construction of the charter, put the Government in the position of an interested party in the profits. The 5 per cent. to be paid in each year upon the net profits was to be credited on the debt; it was to go to reduce the debt. The interest, therefore, of the General Government in the profits of the road does not exist except as the lien of a creditor. If the debt of the Government was actually paid off, then the Government would stand toward this company

in the precise relation in which the State governments stand to railroad companies created by their jurisdiction. The Government reserved the right (and it was, I think, a most unfortunate circumstance for this company that that was part of the arrangement) to appoint 25 per cent. of the governing body. The transactions in the past have been approved by those Government directors, and it seems to me that the Government is estopped from setting up, as against the rights of innocent third parties who have dealt with these properties and these securities on the faith of its enactments, the claim that it can make such amendments and alterations as to affect the rights of such parties.

In relation to the subject of recovering these moneys. If recovered, to whom would they belong? Assuming that the Credit Mobilier scheme was a violation of the established rules of equity jurisprudence, and that the profits, if any, can be brought into the treasury of the Union Pacific Railroad Company, to whom would that money belong? Not to the Government, because the Government is only a creditor, and when its debt is paid its lien is extinguished. The Government is not a stockholder. The Government is not in the position in which it would have been if it had embarked capital in the enterprise and at the risk of it. The Government did not choose to build this road with its own capital, but simply volunteered to lend its credit secured by a second-mortgage lien. It is true that the Government is interested in the maintenance of the road, and in its having sufficient strength to enable it to do the Government service; and that perhaps would be a very proper subject of inquiry. I think that even State legislatures may very properly exercise jurisdiction over railroads chartered by them, and by such amendments and provisions as do not impair the obligations of the contract get adequate and reasonable security that the franchise shall be maintained. But the money divided among the stockholders of the Credit Mobilier cannot, it seems to me, be grasped by the Government except as an act of spoliation. These questions have not been considered by the board of directors, and I am not authorized, and do not undertake, to express any but my individual opinions.

Q. Do I understand you to say that so far as your own individual opinions go, as a director of that corporation, that that corporation does not deem it any part of its duty to the Government of the United States to collect those assets that have been divided in the way described in my first question from those who did participate in these divisions of assets?—A. I said nothing of that kind; I spoke of the question of the title to these moneys if recovered by the Union Pacific Railroad Company; and I will say, in more direct answer to your question, that it is the duty of the Union Pacific Railroad Company to recover back from any of its directors or agents any money or properties which they have received, and to which they have not a good title. What disposition should be made of it is the point to which I supposed you addressed your inquiry.

Q. No. I will repeat my question. It is whether, so far as you know, it is the purpose of the Union Pacific Railroad Company to enforce against those to whom these divisions were made re-imbursement to the treasury of the Union Pacific Railroad Company from the men who were responsible for those divisions?—A. It is the duty of the Union Pacific Railroad Company, and it may be regarded as its purpose. I am now assuming that a state of facts exists subjecting them liable either in a court of law or in a court of equity.

Q. Assuming the state of facts to be substantially such as is described in the question I first put to you, is it your opinion that that state of

facts under the light applicable to them would require such duty on the part of the board?—A. It is.

Mr. SHELLABARGER. State what your board proposes to do about it, so far as you represent the opinion of the board.

The WITNESS. We will endeavor not to deal unjustly, not to act in mad haste, nor under excitement, nor in accordance, perhaps, with the demands of popular prejudice. It is not my habit to lie down before a storm; but assuming that this company has been despoiled by reason of these transactions, and that it is not barred in such a way that recovery in a court of law or of equity cannot be had, it is my judgment that it is the duty of the company to look after the property that has been lost. But you will permit me to say that I cannot assume that everything which has been stated is necessarily true.

Mr. SHELLABARGER. My question, you understand, is carefully confined to the statement of facts as set forth in my former question, and assuming that statement to be substantially true, is it, then, your opinion, and, so far as you know, that of your board of directors, that you ought not to enforce collection of those distributed assets from the men who participated in and were responsible for that division?

The WITNESS. On the statement of facts presented by you, it is my opinion that the technical relations, or the actual relations, that existed between some of those gentlemen and the Union Pacific Railroad Company precluded them from an acceptance of a profit which should inure the *cestui que trust* on established rules of equity jurisprudence. What the case may be as to those who do not sustain that technical relation I will not speak. For instance, I know of no impediment in your way, if you had seen fit to enter into the contract with the Union Pacific Railroad, to build the road according to that contract, and turn it over to them as an arm's-length dealing. I know of no principle of law that forbids that. Of course every transaction is open to the allegation of actual fraud, but I know of no disability in such case. I think that here there was a disability, and I think that the ordinary rule which compelled a party dealing with himself in respect of the subject-matter of his trust to surrender the profits, if he makes any, and to bear the loss, if a loss accrues, applies to the case. But I shall not, so far as I am concerned, do anything which I do not think just and right, in view not only of the facts developed, but of all the facts in the case. I never could see the principle (referring to the resolution of the House authorizing the employment of counsel to sue stockholders of the Credit Mobilier) on which a creditor, with a debt not due, can strike through his own debtor at parties who may be illegal holders of his debtor's property.

Q. State whether your board has considered the question of the propriety of instituting a proceeding looking to re-imbursement of these funds by those who are responsible for the division of them.—A. I stated at the outset that our board had not considered this question; the developments in regard to this matter have been made since the last meeting of the board; the subject has not been considered by the board as a board; it has become the subject of general discussion, and I do not think that any inference can be drawn that the directors of the company will be unjust to themselves or the public.

Mr. HOAR. I put some questions to you the other night with the view of helping to satisfy the committee of the justice of certain steps, supposing the power to take them existed, the object of which was to learn whether, in your judgment, the road would have been better off if this money that was expended in the construction of the road or in dividends

to stockholders of the Credit Mobilier had been paid into its treasury as capital stock, and if, then, with that stock, the company had proceeded to make contracts with strangers in the ordinary way. I infer from some of your answers at the time, and from some comments which I have seen since, that the purpose of my question, which was to bring out a strong statement, which, it seems to me, the gentlemen engaged in this transaction would desire to have prominently presented, is somewhat misunderstood. It is with a similar view that I purpose to put the questions which I have in my mind now. I wish to learn from you, as representing the railroad, and as having occasion to consider the legal effect of these transactions, whether, in your view of them, certain possible proceedings on the part of Congress would be just or unjust in any particular. Now, in the first place, I want to ask you in reference to the view which you have already stated in your last answer to Mr. Shellabarger, as to the relations of this corporation to the Government. Assuming, for the purpose of all the questions that I am about to put to you, that the decision of the questions in dispute between the Union Pacific Railroad Company and the Government shall be made most favorable to the railroad, that is that the company is not bound to make full payment of interest, and is liable only to a withholding of half the Government dues, I suppose that at some time after the expiration of thirty years, if not before, there will be an obligation on the part of the railroad company to re-imburse the Government for something; do you not?

Mr. CLARK. Unquestionably; that is, when the debt is due according to the contract.

Mr. HOAR. Yes; at the end of thirty years.

The WITNESS. I do not understand that it is in the power of one of those contracting parties to change the contract.

By Mr. HOAR:

Q. Do you not understand in the next place that for this obligation, such as it is, (perhaps not to exist till thirty years hence,) the Government has a second mortgage or lien on the full value of the property of the company?—A. Yes.

Q. Now you understand, do you not, that it is the duty of the corporation, acting through its board of directors, to manage that property for the interest of all persons concerned?—A. Yes; including the lien-holders, and I recognize the right of a holder of a lien to prevent waste.

Q. So that it would be true in your view, would it not, that something more than the mere relation of debtor and creditor exists between the Government and the railroad company; that the relation of trustee and *cestui que trust* exists so far as it is the duty of the corporation to preserve the Government security against waste?—A. Precisely; with this qualification, that I think the relation of trustee and *cestui que trust* does not exist between the Government and the company. I recognize the duty of the Government to take a course to prevent waste of the mortgage security, but not of the general estate of the debtor.

Q. Do you not understand that an obligation rests on that company to manage the property that the security for the debt of the Government, to accrue in thirty years hence, shall not be impaired?—A. I do, and to that end the present administration has resorted to economy and to the cutting off of abuses which previously existed. I recognize to the fullest extent, not only the legal principle to which you have referred, but the moral obligations of the company.

Q. I suppose, of course, that you would very properly claim that that

relation did not prevent a reasonable regard for the interest of the stockholders of the road, including a right to make reasonable and suitable dividends, if in the course of their business management it would be proper to do so.—A. I shall answer your question in the affirmative, simply saying, however, that no dividend ought to be made that should impair the security or that might be a waste, or that might interfere with the maintenance of the road.

Q. Now these transactions in the Oakes Ames contract with the stockholders and the Credit Mobilier may be considered in either of two aspects to both of which I wish to call your attention as a lawyer and as a person skilled in the management of railroads. First, suppose the Union Pacific Railroad Company had found themselves able to construct that road out of the proceeds of the Government bonds loaned to them, and out of their capital stock as had been actually subscribed in cash, do you consider that they would have had a right to borrow the twenty-seven millions more or less, which they were authorized to do on their first mortgage and to subordinate the lien of the Government to that?—A. They did not subordinate it; the Government did that.

Q. But if they had not borrowed the money the Government lien would not have been subordinated?—A. No, sir.

Q. Do you conceive that they would have had a right to do that for the purpose of immediately dividing that twenty-seven millions as a dividend?—A. There is no use in disguising the fact that here was a construction company, the purpose of the organization of which was to make money out of the contract and to divide it; there can be no dispute about that. Now, assuming that the money could have been obtained in the ordinary way by stock subscriptions or by the negotiation of a first mortgage with the Government lien subordinated, I think the dividing was improper; but you will permit me at the same time to say that I do not believe that could have been done. I do not recall the answer which I made to you the other day, that I believe if the ordinary course had been resorted to there would have been no road built.

Q. The Government, your idea is, might say in looking at this thing, "These gentlemen did not exactly comply with the law, but as far as we the Government, are concerned, we are as well off as if they had?"—A. And better.

Q. "And therefore we do not propose to deal severely with this transaction." That was the object of my inquiries the other night.—A. I do not so understand you; but let me say that this very day, applying the rules of honest, fair dealing, the Government is indebted to this company and has derived greater advantage from it than the whole amount of the loan to the company.

Q. Leaving out now the question whether you think the road could have been built, (and that question has been put to nearly a dozen of these gentlemen, who all say that they do not think they could have got anybody to subscribe that capital,) do you not concede that if that had been done it would not be a fair dealing with this trust or power or franchise, to have borrowed this money and made a division of it among the stockholders?—A. I do.

Q. So even if you treat the Credit Mobilier, and Mr. Ames and his successors, as having obtained the assent of every stockholder in the Union Pacific Railroad Company, and if you assume that the obtaining that assent bound everybody interested as a stockholder in the corporation for the future, still you would concede, would you not, that the duty to the Government did not permit of their borrowing money and

power to make it a first mortgage for the mere purpose of making a dividend?—A. I can hardly assent to the proposition as you state it. They would not have been at liberty to do anything that would impair the lien of the Government as a creditor, they would not have been at liberty to do anything that would defeat the purpose of the franchise, which was to have this road maintained for postal and military purposes. But I think it can be demonstrated that the Government cannot complain of any act which does not infringe on its right of eminent domain, or obstruct or interfere with the purpose for which the act was passed. The Government made the bargain. It may have been wise or it may have been unwise. I think the object of the Government was to get a road fit, and the Government got it. I do not think it could have got it in any other way. The Government, instead of advancing its own capital, instead of building the road itself, saw fit to make a contribution of its credit to a limited extent, and to call upon citizens to furnish the balance in one shape or other. They did it—our predecessors did it, and we succeeded to their rights. We now say to the Government, "Perform the contract and we will."

Q. The Government, however, reserved to itself, did it not, the right to a mortgage or lien upon that property?—A. It reserved a lien for the sum for which it loaned its credit.

Q. Assuming now as a fact that that money had been borrowed on the first mortgage, not for the purpose of constructing the road, but for the purpose of making a dividend, do you not concede that to that extent it was a violation of the rights of the Government by impairing the value of its security, for a purpose for which they were not authorized to impair it?—A. Treating the Government irrespective of the question of sovereignty, and as a mere creditor, I do not understand the principle on which the Government can complain of these dealings, provided its ultimate security is not impaired.

Q. But is not the security of a second mortgage impaired by every unnecessary increase of the first mortgage?—A. The security stipulated was a second mortgage, subordinated to a lien of $27,000,000 to which preference was given. This was the bargain.

Q. Was not the security stipulated, a security on the whole property of the road, subordinate to a lien of so much of the $27,000,000 as should be necessary for its construction? Was not that the case?—A. I have not examined the act specially with reference to that point. If it be so, and if the Government lien was made subordinate, not to $27,000,000, but only to such portion of $27,000,000 as might be necessary for the construction of the road, then there has been a dealing unjust to the Government.

Q. Do you not concede that it would be the duty of the managers of the road to apply, subject to the right to make proper and reasonable dividends to the stockholders, its resources during that thirty years, to pay off the first mortgage, and thereby to increase the security of the Government for its second mortgage?—A. I never considered that the creditor had a right to anything more than his pound of flesh, and the right to stay waste, in respect of his specific security. Now, assuming that the company had money in its treasury to-day, and the question came before us, whether we should make a reasonably moderate dividend to the stockholders, or pay to the Government a debt not due, and the payment of which the contract postpones for thirty years, I should have very little respect for the Government that would complain of our making the dividend, provided its own security was not impaired.

Q. That is not my question. My question is, supposing you had in

your treasury to-day the proceeds of this first mortgage, they not b
necessary for the purpose of constructing the road, do you conceive t
your fidelity to the duty imposed upon you by the Government w
permit you to divide these entire proceeds, beyond the amount of a r
sonable dividend, and to put them in the pockets of the stockholders?
A. Certainly not.

Q. Or do you think you should pay off the first debt?—A. Un
tionably. Of course, by paying off the first lien you make the s
lien the first.

Q. Now I come to my next question. Suppose it should turn out t
in violation of that duty the managers of the road, your predec
had put that money into their own pockets without right, and were n
held by a court of equity to restore it to you to be applied as it s
be, could it be any possible injury, either to your road or to the p
stockholders, in their capacity of present stockholders, if those p
cessors of yours were compelled to do that?—A. No, clearly not.

Mr. HOAR. I speak, of course, of a judicial proceeding, not of t
exercise of any arbitrary legislative power.

The WITNESS. Of course; I do not take Cossack legislation i
consideration.

Mr. HOAR. I do not assume by my questions that any legisl
could compel a man to pay it up, unless he was already liable in law
in equity to do so. But you do not see that your road would be in t
least injured by such a thing?

The WITNESS. Not the slightest.

Mr. HOAR. But on the contrary would be benefited?

The WITNESS. Greatly; and I hope you did not understand m
saying the other day that it was not the duty of the company to pay
debts, if it had the money.

Mr. HOAR. Now I wish to take the other alternative. The ac
Congress, as you understand it, requires the original capital stock to
paid in cash. Now, supposing that it should turn out, that instead
paying in that capital stock in cash at par, the then subscribers to th
stock who had bound themselves so to pay it in cash, at par, had g
through a proceeding, the substance of which was that, instead of p
ing in $36,000,000 of capital in cash, at par, they paid in only 30 p
cent. of that amount in road building. Suppose that to be the tr
tion, do you see that any injury could accrue to the road or to any p
son in interest in it as a stockholder, by compelling those subscri
now to make good their obligation to pay that amount in cash into t
treasury of the road, to be applied either in the payment of its debt
in strengthening its resources, developing its other property, or in s
other way as should be judged proper? My question assumes not th
those persons are to be called upon to do this by legislation, which I
not suppose possible for a moment, but it assumes that it shall turn o
that Congress should simply provide in what court such a proceed
should be brought, and that the judge should decide that the pa
were already liable to it. That is my proposition.

The WITNESS. When I spoke of jurisdiction, I meant not impe
power, but judicial power. Assuming that there be judicial power t
can be invoked to that end, why, of course, no harm can result to t
stockholders. But the case, it seems to me, is an ideal one, beca
the property has changed hands. If there were an original valid su
scription for say $36,000,000 of stock, and if that subscription wa
subscription by responsible parties, and the stock had been issued wi
out payment, there would undoubtedly be a legal liability on the pa

of the subscribers to pay in the unpaid portion. But, when you put the case to me of a road accepted in lieu of a cash subscription, or of railroad stock worth perhaps $7,000,000 accepted in lieu of a cash subscription of $7,000,000, whether the transaction was wrong or not depends upon the question whether the property put in was or was not equivalent to the money. Assuming what I believe to be the truth, that it was not utterly impossible to have obtained the subscription in the ordinary mode to carry out an enterprise as wild as this was, assuming that you could find somebody wild enough to build the road and turn it over, the question whether that was a wrong to anybody or not depends upon the question of the value of what was turned over. But to require an impossible amount of money to be raised, to be then expended in any particular way is, it seems to me, form without substance.

Q. Suppose it should turn out that your predecessors, for the balance of what they received for the construction of this road, had paid in only, in performance of their obligation to take the capital stock at par, that was equivalent to thirty per cent. of its par value in road building, as Mr. Oliver Ames, the then president of the road, says was the substantial understanding on both sides, have you considered the question of the power of your company, by a bill in equity, to compel the payment of these subscriptions to be so made good?—A. I have considered the case in that respect, but I have assumed that no imperial power exists to change the contract in order to meet the exigencies of that particular case, and I have not come to a conclusion as to the particular form of remedy. If the stock had been issued, 30 per cent. paid, and 70 per cent. unpaid, you could call in the 70 per cent. But here the company has recognized this as full-paid stock; it is distributed in the commercial community as full-paid stock; every man who took it knew that he could not be called upon to make any new payment in respect of it; and I should be very unwilling myself to be put in the position of asserting so absurd a claim as to ask a woman, or an infant, or a guardian, who had purchased this stock as full-paid stock, to come forward and make a payment which the original subscribers of the stock had agreed to make.

Q. You do not understand the point of my question. I do not assume in my question that a person who has made a contract to pay for stock has not, and has not made the payment, he being a director in the road, and covering up the transaction or excusing himself, and who then sells the stock, can impose the obligation on his successor to make the payment. I am only speaking of the obligation of the individual himself. Has the Government to be a *cestui que trust* in regard to its security or its debt, and not a mere creditor, have you considered the question of the power of the Government by a bill in equity, making both the corporation and those persons parties, to compel them to make good their original obligations to take the stock?—A. I have considered that question.

Q. Can you conceive any possible injury that could accrue either to the road or to the present stockholders, if such a proceeding were to be instituted?—A. No; but, at the same time, I must be permitted to say that it occurred to me, in considering the question, that it would be disastrous failure to attempt to assert a claim against any other than the original contracting parties. The remedy, if any, is a remedy against those who, by actual fraud, or by a fraud which the law presumes because of the technical relations of the parties, did the wrong. The remedy must be sought from the parties who did the wrong, and must

be sought on the part of the Government through its own debtor. I now speak, of course, of the administration of a government bound by the ordinary rules, and not exercising imperial power. In this connection I will say that I have learned, since I became president of the company, facts which satisfy me that, among the spoliators of the property, the Government itself occupies a very prominent position.

Q. Leaving out now your opinion as to the possibility of such a remedy by mere judicial process, and looking only to the question of justice on the part of a Government desiring to be just with all its citizens, in your opinion as to whether the Government ought to enact a strict penalty, if it can be called a penalty, for a violation of the law on the part of the directors of this company, you would be considerably influenced by inquiring into the fact, whether the men who did it used corrupt means either to bribe the agents of the Government or to lull them to sleep, and close their eyes so as to prevent them being in a mood to investigate the transactions and to break them up as they were going on?—A. I should, undoubtedly.

Mr. HOAR. Having called these matters to your attention with the object of hearing your views on the practicability of this remedy, the main object of my calling attention to them was twofold—first, that I might be certain that every suggestion as to the justice of it which occurred to you should be presented in all its force to the committee, and second, that I might also be certain that it did not occur to you that it would work any injustice to the innocent parties whom you now represent, and one of whom you yourself are.

The WITNESS. I am; but, at the same time, as one of the stockholders of the company, I am unwilling that injustice shall be done to the men who may have made mistakes under former administrations.

Mr. HOAR. Now, I wish you to state to the committee any considerations that you have in your mind, tending to show the advantages that have been reaped by the Government by having this road built in the manner it was built, instead of not having it at all, which you think would have been the other alternative, either in the form of saving its money on transportation, or in any other mode that you can think of, and which you think ought to be presented to this committee.

The WITNESS. I will present a few. All that the Government gave, as I stated before, was these alternate sections of land. By giving that, the Government made the sections retained valuable. Without the road they would have been valueless. The Government did no more in that than any private individual would do in giving a small piece of worthless land to somebody who would make the adjacent land valuable; and while it is very common in the newspapers and in Congress to talk about a subsidy, there was no subsidy irrespective of the land. There was a loan of credit, and, on the theory now insisted upon, it was a cut-throat loan—a loan payable before it was due—the most fatal loan that anybody can make. Now, the advantages derived by the Government are, first, that there has been already saved to the Government a larger sum of money, in my judgment, than the whole amount of its credit loan. A standing army almost has been dispensed with, and a domain greater than that occupied by many of the great governments of the earth has been brought into civilization. Take the transportation. There has been saved every year in transportation a sum almost equal to the whole interest on the Government loan. I have not with me the statistics. A report has just been made from the Post-Office Department, to which I wish to call the attention of the committee, and from which it will be apparent that there has been saved

...l transportation to the Government, every year, an enormous sum. ...this very moment this singular state of things is presented. The ...service is increasing. Congress passed a law, last winter, author... ...express-packages to be carried in the mails—freight transportation. ...ount of mail-matter is increasing, while the amount of transpor... ...of men and materials is decreasing. The amount of transportation ...s and munitions of war decreases. The Union Pacific Rail... ...Company really has a standing army, and pays it out of its own ..., which protects the country and protects the travel. A few ... have wrought this change of things. During the process of con... ...half of the working force of the company had to be armed to ... the other half, while our engineers in charge of working parties ... in some instances scalped. Now there is no sort of interference ... Indiana, and the Government will very soon have its interests pro... ...as safely along that great line as it is to-day protected in Ohio ... Indiana. This enterprise was peculiarly a child of the Government. ...Government set it on foot, made promises, held out representations, ...made pledges which invited the investment of private capital. It ... pledges, in my judgment as a lawyer, and in my opinion as a man, ...clear and specific as the pledge which it made to pay its ordinary ...debt. And it led the people, it led me, into an investment in that ...perty. To be sure, I had another motive, which was traffic in con... ...with other railroads. The Government has attained its end in ..., which was to have a first-class road, a better road than was con... ...ed to be built; and the present company finds itself in possession ...a road the cost of which has been enormously increased by govern... ...intervention. Let me give an illustration. By the original char... ...of the company, the Government was to appoint commissioners to ... and accept various portions of the road as constructed. The ...pany had no voice in the appointment of these commissioners. The ...rnment used it as a means for the distribution of political patron... ...It appoints a commissioner to examine a piece of road at a time ... there were five or six hundred thousand dollars in bonds withheld ... the Government, and he makes a strike upon the company for $25,000. ...the company will pay him that sum he will not sign the report. ...that case. Whose fault is that? The Government made that ap... ...ment. And in this particular instance it appoints a man who it ... have known would take just such a course. Well, you may say ...pany paid the bribe; but this is no fault of the company. When ...Government appoints a man who it must be known would have done ... such a thing, perhaps it was a mutual fault; but that $25,000, which ... one of the items increasing the cost of the road, is as much the ... of the Government as it is of the company; and is more the fault ...Government than it is of the present innocent third parties, who own ...property.

Mr. SWANN. To what commissioner do you refer?

The WITNESS. I knew the gentleman well when I was a member of ..., and I would rather not mention his name. It may be that ... made like demands. I hope the whole truth will come out, but ... you will excuse me now from naming him. Take another case. ...ment commissioners go over the road on a particular occasion— ...acquainted with railroads, men knowing very little of their neces... ..., and in my judgment perfectly incompetent for the position—and ... a suggestion that a machine-shop, as good as to-day exists ... of the great eastern trunk lines of road, should be built, two ... and ninety-one miles west of the Missouri River, to cost two

or three hundred thousand dollars. They make that demand. The company yields, because it is in the power of these commissioners, and it builds machine-shops at the crossing of the North Platte river, costing perhaps three hundred thousand dollars, and which are not worth three cents to-day. They are of no value; no railroad man would have them, but there they stand. The company lost the money. The shops are there, and we do not use them. Take another instance. It has cost us a half a million of dollars to raise the grades at certain places where the snow obstructions take place, which grades were depressed by the direction of those Government commissioners for the purpose of making a dead level instead of having a road conforming to the natural surface so far as practicable without undue elevation of grades; and now it has cost us a half a million of dollars to fill up these snow-holes, which the commissioners insisted upon, or they would not certify so that the money due the company could be obtained. The Government has used its power over this road for the purpose of distributing political patronage; and if the history of the dealings between this road and the Government—I mean the administration—ever becomes known, it will be, in my judgment, the most melancholy exhibit of human fallibility of which any great business transaction affords a record. I should like to state some reasons.

Mr. HOAR. I think that the object of the committee is to get that history out,

The WITNESS. I will state some of the circumstances. You will recollect, gentlemen, that the position in which I find myself is the defender of the rights of one hundred millions of capital now owned in foreign countries and by citizens of the United States, who have dealt on the faith of the Government, and are in alarm lest the Government should repudiate the very acts on the security of which the investment was made. The Government loaned its credit in the form of bonds. These bonds were receivable as a basis for the currency-issue of the national banks, and I am informed they were accepted as such for a considerable time. Suddenly, without any act of Congress—without any reason that has ever impressed my mind as respectable—the Treasury Department refused to permit them to become a basis for banking purposes. That threw a discredit upon the bonds, and down they went. They were as much bonds of the Government as any other part of the public debt. The Government has never repudiated them; but by refusing to let them be a basis for banking, a large sum of money was lost to the company, because of the resulting depreciation of their value. The next thing that the Treasury Department did, in relation to the bonds, was that they did not count them as part of the Government debt, and they thus discredited them. They treated them as the debts of the Pacific railroads. Well, true, they were, thirty years hence; but they were the debts of the Government at that time. That has been a final discredit. Perhaps a loss of ten per cent. resulted from that. Furthermore, the Treasury Department has published the company as defaulting debtors in reference to these arrears of interest—begging the question that the interest was due. That was the treatment in reference to the bonds. And now go further. The road is finished. The company does the service without any complaint. Suddenly, in 1871, the Government stops paying altogether, but demands that the service shall be performed. Without an act of Congress, without the assertion of the power of Congress to amend the charter or repeal the law, the Government stops paying for its transportation. That was an arbitrary act of a Department or a clerk in a Department. I do not know who did it.

Congress then intervenes and directs the payment to proceed. New parties come in, and, reposing on the faith of that settlement of the question, I, with my friends, become a purchaser of over twenty thousand shares of that stock, when I supposed that the question was set at rest by the enactment of 1871—by the mandamus given by Congress to the Secretary of the Treasury to obey the law of 1864. While I acknowledge that there may be a difference of opinion among legal gentlemen as to the fair construction of these acts, there is not a railroad man in the country, nor a woman or child, seeking an investment, who, reading this act, would not say that the Government had pledged itself, in the act of 1864, to require only one-half of the interest. We took control of the company last spring; we commenced economies; we cut off abuses; we stopped leakages, and the very moment that reform commenced assailments began. Millions were lost by that action, and every time that these raids have been made in Congress fortunes are lost or won. The misfortune is that these losses sometimes fall upon the poor, who cannot afford them; the rich can protect themselves. In March, 1873, the present administration took possession of the road and commenced the reformation of abuses which had long existed. Instead of coming to subsidize Congress or the lobby, they cut it all off, and set the lobby at defiance, and said, "If you mean to destroy this property, destroy it now."

This Credit Mobilier excitement grows out of the political canvass; and under the cover of it, under the cloud and darkness that result from it, an assailment is made which has depreciated the securites of the company nearly half of the whole amount of the Government loan. One class of securities of ten million dollars has fallen from 88 to 72. Every one of its securities has fallen, and a general distrust enters the public mind and the mind of parties dealing in these securities that after all there may be here no security at all. Now it never has been intimated to me from any Department, since I became president of the Union Pacific Railroad Company, that that company has not fulfilled its contracts to the letter. No request has ever been made from any Department that has not been complied with. No complaint has been made, but legislation has run through Congress which puts the Government in the position of saying to the Union Pacific Railroad Company, "You shall do this work, and we will not pay the money for it. We insist that you keep the road in order, and if it is necessary to spend another half million of dollars to keep it open against the winter storms, and if additional locomotives are rendered necessary by the increase of the mails, we demand that you supply them, but we will withhold the compensation." Now these are samples of the dealings between the Government and the company. If that account is adjusted on principles of equity, the Government would be largely indebted to the stockholders of the Union Pacific Railroad Company. I would call upon the committee to have laid before it the reports of the different Departments, showing the actual saving to the Government, by reason of the construction of the road, and the committee will find that the Government has had all its money paid back to it, and more too, while it is now engaged in confiscating the property of citizens invested in the enterprise.

Mr. HOAR. If you think proper, you had better take those reports, and cause to be made up an exact statement, as nearly as you can on this point, and present it to the committee at an early day.

The WITNESS. I will have it done. I have said these things for the purpose of calling your attention to the abuses of the Government practiced upon the owners of this property; and I ought to have mentioned

the fact that, while this company was allowed till 1876 to finish the road it finished it within a few years at enormous expense, with, as I said before, the most wasteful extravagance, a very considerable portion of which was caused by the intervention of the Government commissioners themselves. But there was this compensation, that if this loan made by the Government was, as is now contended, to be paid currently by the Union Pacific Railroad Company, the interest would have ruined it if the construction had been slow.

Mr. HOAR. Mr. Alley was asked, during his examination, how much the Oakes Ames contract of 667 miles cost the persons who constructed the road; to which he replied that in round numbers it cost them thirty millions of dollars, in his judgment. He was also asked what was the proceeds of the amount of Government bonds, and of first-mortgage bonds, which the contractors were entitled to receive and to apply to that construction; and he made a computation that it was $30,015,000. Then he was asked what in his judgment was the average length of time between the actual advances of money by the road-builders for the purpose of expending it on the road, and its re-imbursement by reason of their obtaining and disposing of these two classes of bonds; to which he answered that he should think it was about three months; he was certain it was not as much as six; he did not think it was four months, although it might be; but it was not, in his judgment, more than three months. Now with reference to your answer the other night in regard to the possibility of having built that road cheaper and better if the company had had in its treasury the thirty millions of capital represented by its stock, I wish to attract your attention to those answers of Mr. Alley, and to inquire of you, whether in your judgment they are true; and whether, if they are not true, you would suggest any modification of them; and whether, if they are true, that would not occasion you to modify your answer given the other night; in other words, was there anything needed, with the resources which the Government had put into the power of the Union Pacific Railroad Company—first, by the loan of its bonds; secondly, by giving it the right to mortgage its right of way, franchise, &c.—to bridge over the period that that construction was going on, wasteful and costly as it was?

The WITNESS. The hazard to the constructors was, in my judgment, not that they could not build the road; but that, when the road was built it would be worth nothing. I always supposed that, if the Government would send out an armed force to keep off the Indians, the company could lay the track and build the road; but I would not have agreed to give eighteen pence for it after it was finished. These gentlemen seem to have so regarded it, and to have attempted to make their money out of the construction of the road, on the assumption that when it was built it might be valueless. I was somewhat cognizant of railroad matters at the time of the construction, but I did not invest a dollar in it. I was told that there would be a very large profit; but still I thought the money invested would be a total loss. You are aware that there are very few gentlemen who can be tempted by any profit, if they think they will lose the principal. Now you could get no money from the Government until you built twenty miles of the road, and the risks of dealing with the Government are very great; the history of this road has proved them so. I do not believe to-day, that if this road were not built and finished, you could to-day raise the capital to build it again. The Government would have to do it itself; the experiences of the last two years have shown that there is no security in this kind of dealing. I do not think that it would have been possible to get the money in

the treasury wherewith to build that road. Railroad directors do not build railroads; that is done by another class of men—a class of men who spend the money of other people, and that of course engenders extravagance. I do not think that anybody can tell what that road would have cost if the money had been in the treasury. Now, as to the profit. I do not know what the profit was; but I do feel at liberty to say that a very large profit ought to have been derived by men who risked their money in such an enterprise—assuming that they sustained no such technical relations as that their dealings were on account of their principals if a profit accrued, and on their own account if a loss was sustained.

Mr. SLOCUM. You can foot up the absolute profits derived by these gentlemen from their dividends.

The WITNESS. Inasmuch as the prices at which these bonds were disposed of varied from time to time in the market, I cannot tell what the profits were. I have figured from the newspaper accounts as near as I could get at them, and I have never heard the figures stated as large as nineteen millions till Mr. Shellabarger stated them to-day as the dividends in stock and bonds.

The CHAIRMAN. In addition to the nineteen millions mentioned by Mr. Shellabarger, you will recollect that when the Credit Mobilier increased its capital stock from $2,500,000 to $3,750,000, a $1,000 bond of the Union Pacific Railroad was distributed to subscribers for these additional shares—for every ten shares—which would amount to $1,250,000 in bonds. In addition to that, I call your attention to the fact that there was one dividend in cash of $2,201,240; and that there was one dividend in cash of $1,112,768; so that there was nearly three and one-half millions of dollars in money divided. Can you now give us, approximately, what the whole of these dividends amounted to, taking the stock and bonds at what they were selling at?

The WITNESS. The stock commanded a higher price than 30 at one time. I cannot give you the market price of the stock at those several dates. I do not think that the stock was on the market then. There were never very extensive dealings in the stock until after the legislation of 1871 gave it strength.

Q. What was the amount of money expended by these men in construction?—A. In the neighborhood of seventy-five millions of dollars, as I am informed.

Q. Have you been engaged in building railroads yourself?—A. Yes, sir; I have been engaged in construction companies in building lateral roads connected with trunk lines in several of the States, and while I have invested capital in the construction company, it has assumed the risk of building the road and dividing all the securities. The cases differ from this, because I never sustained any relations as director to the company for which the road was built.

Q. What do business men consider a fair profit on the work in these construction combinations?—A. Remember that construction companies with which I have been connected are companies which furnish all the capital and take all the securities for better or for worse. The amount of a fair profit depends upon the extent of the risk. A man who furnishes $2,000,000 to build a road connecting with great trunk lines would not think he made too much profit if he made 100 per cent., and that is a case where success is almost certain. Take any dry-goods merchant or grocer on Pennsylvania avenue, and he thinks he does a poor business if he does not make 25 per cent. a year. Railroad enterprise is about as hazardous a business as can be, because you are dealing with

an uncertain future, and in such adventures a large profit ought to be realized.

Q. Your idea is, then, that, barring the objection that these men were dealing with themselves, their profit was not any greater than it should have been. Is that your idea?—A. I would not take my chances in the enterprise. If a man puts down his money in a faro bank, he may lose it all; and he ought to have a large profit in view of the extraordinary hazard.

By Mr. SLOCUM:

Q. I want to ask a question about this matter of economy. How do the operating expenses of your road compare from its commencement to the present time?—A. We are reducing them all the time. All extravagance and waste is being cut off.

Q. Have you cut down salaries since you became president?—A. The salaries or compensations paid by this company were at one time pretty much upon the principle of the dividends in the Credit Mobilier. Take, for instance, the salaries of the four presidents. John A. Dix was the first; Oliver Ames was the second; Thomas A. Scott the third, and myself the fourth. I take no salary. I will not take compensation from a road that cannot pay dividends.

Q. What was General Dix's salary?—A. There is a salary attached to the office of president. I believe it is eight or ten thousand dollars. The very moment that economies began, and that extravagance was cut off, that very moment Government began a war upon the company. The very moment that the road ceased to be used for the distribution of political patronage, that very moment these processes of attempted destruction commenced.

Q. What was General Dix's income from the company when he was president of the company?—A. Eight thousand dollars. General Dix, I think, resigned the presidency of the company to take the mission to France. He went to France and there he rendered some service, I think, in regard to the bonds.

Q. While he was minister to France?—A. Yes, sir, I think so. That is my impression, and a compensation was paid to him.

Q. What was paid to him for his service rendered while he was minister to France?

Mr. HOAR suggested that the witness could have no personal knowledge of it, unless from the record.

Mr. SLOCUM, (to the witness:)

Q. Is that a matter of record?—A. Yes, sir.

Q. Then I want to know how much money was paid by the Union Pacific Railroad Company to General John A. Dix while he was minister from this country to France?—A. I will not say that the money was paid while he was minister, because I was not a party to its payment; it was not paid during my administration. Of course my knowledge of it is not personal. I have no personal knowledge of the $250,000 bonds that your contemptuous witness got, or of the $400,000 in the suspense account, or of the $126,000 which was given for special legal services. Not one shilling of any of these sums was paid under my administration.

Q. What do the books show was paid to General Dix while he was minister to France?—A. The sum, I believe, is $50,000; but I do not know that the money was paid while he was minister, nor do I know that it was paid for services rendered during his mission.

Q. I want to know the amount that was paid to General Dix by the Union Pacific Railroad while he was minister abroad?—A. You will understand that I have not said that payment was made to him while he was minister; I do not know the actual date of the payment.

Q. What was paid to him by the company after he left the presidency of the road?—A. Fifty thousand dollars in addition to his salary is what I have been informed. That is the tradition; that is the statement of the company; that is one of the items in the coast of the road.

Q. What service was that in compensation for?—A. I have been informed that the services were in connection with an attempted negotiation of the bonds.

Q. But no bonds were negotiated in France?—A. I think not. This was a very great enterprise, and the expenses of every description have been on the largest scale of extravagance. We have endeavored to check them and to razee them down to ordinary proportions.

Mr. HOAR. I want to see that there is no misunderstanding as to Mr. Clark's precise knowledge of this matter of General Dix. It is entirely proper that fact should appear.

The WITNESS. I did not introduce it.

Q. Be good enough to state exactly the extent of your personal knowledge about the transaction with General Dix as distinguished from what has been told you by others?—A. I have no personal knowledge on the subject; and the first time that the matter was ever called to my attention was during the political campaign just passed; and half the slanders and half the falsehoods current at the present hour sprung into life during the late political canvass.

Q. Have you seen on the books, or can you find on the books of your company, what appears in reference to any transactions with General Dix?—A. (Referring to the ledger.) I am not familiar with these books. A ledger is placed before me which I have never seen before, and which contains an account.

Q. It purports to be the ledger of the Union Pacific Railroad Company, does it not?—A. It does; I never saw it before. In this account General Dix is charged with $24,000, received at various times between the 24th of May, 1865, and the 1st of November, 1866. He is credited with $19,000 and $5,000, as expense account. The details of that account I cannot ascertain without referring to the blotter. I am not an expert as a book-keeper.

Q. You say that you heard of the matter during the campaign of last fall?—A. Yes.

Q. Do you recollect from whom you have derived any information on the subject?—A. From my colleagues in the board.

Q. Do you recollect from which of them?—A. I see some of them here present. Mr. Duff was a director at the time, and he spoke to me about it. I do not see any other gentlemen present who was a director at the time of these payments.

Q. What I want to get at is the official statement made to you. I want to have it exact on paper what the information is. What statement have you received from officers of the road in relation to that matter, so far as you can recollect?—A. From time to time facts are stated. It is not my practice to accept statements without verification. When they are material in the interest of the company I verify them, but no one becoming president of the Union Pacific Railroad Company in 1872 could have a personal knowledge of the previous transactions of the company.

Mr. HOAR. I understand that. I want to distinguish, first, what you

know of your personal knowledge, and next what you have learned from officers of the company, and then I suppose you may give the general current company stories, such as you deem necessary for the present investigation. What have you learned from officers of the road in relation to the money paid to General Dix?—A. I have learned from officers of the road that $50,000 was paid him. I do not know anything about this $24,000 which I see on the book. The $50,000 was paid, as I was informed, for alleged services touching the proposed negotiation of some twenty millions of bonds; but I am not the witness by which any facts can be established.

Q. Was the statement made that this sum was paid to General Dix while he was minister abroad?—A. I have said that I never heard the specific date mentioned when this payment was made, nor have I ever been informed of the particular period at which these alleged services were rendered.

Q. You state, then, that you have not been informed, so far as you know, that the services were or were not rendered while he was minister abroad, or that the payment was or was not made while he was minister abroad?—A. If you ask me for my information on the subject——

Q. Yes; for your information derived from officers of the road?—A. I abhor and detest the defamation which seems to me to be the order of the day; but if you ask me for my information on this question, I will give it. I have no secrets, and shall not withhold any facts.

Q. I want to know whether those statements that you have received from the officers of the company showed that General Dix rendered this service or received this money while he was minister abroad? You say they did not point to a particular day.—A. At which the payment was made?

Q. I ask you whether they pointed out that it was during his mission abroad?

The WITNESS. When the alleged services were performed?

Mr. HOAR. Yes.

A. It has been so stated—the alleged services.

Q. Now in relation to this ledger which you have just looked at, will you be kind enough to look at it again, and see if there is not a precisely similar account with Mr. John J. Cisco, on the same page?—A. (Referring to the ledger.) Here is an account with Mr. J. J. Cisco—a precisely corresponding account on page 646, covering $24,000.

Q. Who is Mr. J. J. Cisco?—A. A banker of high respectability residing in the city of New York. He was then treasurer of the Union Pacific Railroad Company.

By Mr. SLOCUM:

Q. I want to hear something about this Wyoming coal contract. I have seen it stated that the contract had been made by the board of directors. Are you still acting under that contract?—A. There are fallacies afloat in regard to that Wyoming Coal Company contract. If you want the facts you shall have them.

Q. That is what we want.—A. The facts are these: There was a contract made, I think, in 1868, between the Union Pacific Railroad Company and two men named Godfrey and Wardell. Let me say, in this connection, that the document which the chairman of the committee laid before me yesterday led me into an error on one point. On referring to the Wyoming Coal Company contract, a date is given in it which shows that I was in error in assenting to a question which was put me yesterday in reference to the time of discovering coal. It was

after the Wyoming coal contract that there was the first practical development of coal west of Cheyenne. That contract has been the subject of criticism and of local complaint. It was made during the administration of Oliver Ames. When I became president of the company I found it in existence. We examined in relation to the facts, and called before us Mr. Wardell, who was a party beneficially interested in one-tenth of the contract. The contract was substantially this: The coal mines of the road were leased for a term of fifteen years to those two gentlemen, who were practical miners. They were partners, under the arrangement, it being part of the scheme that they should incorporate as the Wyoming Coal Company, under the act of either the State or Territory of Nebraska, and that the Union Pacific Railroad Company should own nine-tenths of the stock and these gentlemen should own one-tenth. I have made inquiries in respect of the state of facts in respect of the fuel question, at the time that that contract was made. This contract stipulated certain fixed prices that should be paid for the coal during this term of fifteen years, on a descending scale. I think that we are now working under the four-dollar rule, which was the price fixed for the second term. There was a clause in that contract which gave the parties with whom the company contracted a drawback of twenty-five per cent. on all other coal transported; and it was represented that the practical effect of such a contract was to create a monopoly. On examining the question I found that we could control the Wyoming Coal Company, because we were owners of nine-tenths of the capital stock, and this provision which had been obnoxious to some, and to which some of the Government directors had objected, was, by resolution of the Wyoming Coal Company, struck from the contract, and does not now exist.

By Mr. SHELLABARGER:

Q. What is that obnoxious provision?—A. It is a provision giving Wardell and Godfrey 25 per cent. bounty upon all coal mined by other parties. The practical effect of it would be to give to them out of the treasury of the Union Pacific Railroad Company 25 per cent. of the freights on coal mined by other people, and would enable them to undersell, or would favor them in the competition. That was the point that was struck out.

By the CHAIRMAN:

Q. That was the practical effect of it?—A. There never had been anything done under it. The practical effect of it would have been that, and that would have discouraged the mining on other lands of the company; that provision, however, was struck out.

By Mr. SLOCUM:

Q. I wish to ask you one or two questions bearing upon the remark that you made about Government directors. Are the Government directors oppressing the road now in the manner which you have described that they have done heretofore?—A. My remark related to the Government commissioners. The present Government directors, with some differences of opinion on some questions, and such differences as would naturally arise in a board of directors where twenty-five per cent. of them do not own stock and have no interest in the property, are in entire harmony with the other directors of the company. And there is no best of faith, and, so far as I know, the best of feeling between them. The present Government directors, I believe, do their duty to the Government in all respects. They do not conceive that they have in charge

the interest of bondholders and stockholders as much as they have the interest of that great outside public, whose interest is against railroads.

By Mr. SWANN:

Q. This road has been spoken of as a finished road. It has been accepted by the Government and looked upon by the public as a finished road. I wish to know whether you consider it as a finished road?—A. You know very well that there is no such thing as a perfectly finished road; and that because the work of decay begins as soon as the work of construction ends. I should say that this is a finished road with the exception that there is some heavy work to be done. There is some trestle-work where there should be filling. The Government says that it is a finished road when the payment of the 5 per cent. on the net proceeds is claimed, and the Government says it is not a finished road when we ask for a patent for the land. The commissioners appointed by the Government have reported that we have got to fill up where this trestle-work is before the road is finished. So it seems to be finished or unfinished, according to the interest of the parties considering the question. I should say that it was a new road finished, with the exception of some heavy work that will require a good deal of money, There are some very deep fillings to be made where there is now trestle-work, which trestle-work will last from seven to ten years, according to the timber of which it is built.

Q. I understand that the road has reached a point where it is necessary to have it relaid speedily, and from year to year?—A. It is not necessary to relay the whole of it, but to make extensive repairs.

Q. I wish to know what amount of iron you, as president of the company, propose to contribute from year to year toward the necessary repairs of that road, so as to keep it in good condition throughout the entire line?—A. We intend to put enough iron in to keep it in a first-class condition adapted to its traffic. That must be regulated somewhat by our means. If the Government withholds one-half of the transportation money we certainly shall have so much less money to expend for iron.

Q. Has not the road reached the point now where these repairs are absolutely necessary, and where you will be necessitated to contribute a very large amount of iron from year to year?—A. That is true; and ties also.

Q. Can you estimate the amount that will have to be contributed in either monthly or yearly installments?—A. I cannot; because it depends a good deal upon traffic. There is a large growing traffic.

Q. I speak of the present traffic?—A. We have got to appropriate a very large sum for iron. We propose to build a rolling-mill so that we can make our own iron, provided this coal that we have on the road will make iron.

Q. Can you approximate the amount that will be necessary to appropriate to relay the road from year to year, until you have completed the operation?—A. I cannot; because we do not know in what condition we will come out in the spring.

Mr. SWANN. That is material to this committee, because I take it for granted that those outlays will come out of the net proceeds of the road.

The WITNESS. Of course.

Mr. SWANN. So that your net proceeds will be reduced by that amount?

The WITNESS. They will. I can ascertain by telegram, and can inform you in the course of the day, what iron will probably be needed between now and next fall. We look for the necessity of extensive re-

pairs of iron. And therefore it is that we think that the withholding of this money at such a period as this is inauspicious.

Q. And this amount of iron, I presume, will be increased from year to year; that is, you will need a smaller appropriation this year than will be required some five or six or seven years hence?—A. I think we cannot afford to use steel, and that there is no actual necessity for putting steel on a road where the freight trains and passenger trains all run as slowly as we think it is in the interest of the company, and of all concerned, to run our trains.

Q. What amount do you expect to set apart as a sinking-fund, or to expend immediately to relay the whole line of this road?—A. We expect to expend half a million dollars perhaps between now and next fall.

Q. And you think that that will be increased from year to year, as you go on?—A. I think so; and you must recollect that it is very expensive for us to get iron there, unless we can make iron; and I do not know yet whether the coal we have will make iron.

Mr. SWANN. My object is to ascertain what draughts will come upon you that will encroach upon the net proceeds of this road; and, therefore, it is important for this committee to know what amount is to be deducted from the net proceeds of the road for this specific purpose. I understand you to say that at least half a million dollars will be required for this coming year.

The WITNESS. Yes.

Mr. SWANN. Which, of course, must come out of the net proceeds of the road.

The WITNESS. Certainly; it may came out of the gross receipts. It must be done, at any rate; and if we cannot get it from the net profits, it must come out of the gross receipts.

Mr. SWANN. I want to know what amount you expect to realize from year to year under your present traffic?—A. By no possibility can any dividend be made to stockholders until a very large amount shall be expended for iron.

Q. And you consider that that amount will have to be deducted from the net profits of the road?—A. Unquestionably.

Q. And can come from no other source?—A. From no other source, unless gentlemen see fit to lend money to the company.

Q. But it would not be legitimate on the part of the company to borrow money to relay their track.—A. I think it would be legitimate to borrow money to keep the road safe. The first necessity for the road is that it shall be kept in a condition to do the Government service and the public service.

Q. What amount did you state to be the floating debt of the company?—A. Treating that two-million note as a nullity, and not as an obligation, the floating debt is in the neighborhood of two million dollars; but as collateral security for loans made by directors individually, there have been hypothecated certain assets of the company which I do not regard as a very extraordinary security.

Q. What assets of the company have been hypothecated?—A. All its available assets; for instance, all the investments in the Utah roads, the Colorado Central road, the Atlantic and Pacific telegraph stock, some city bonds, and some income bonds belonging to the company. All of the available securities of the company are hypothecated.

Q. What is the total amount of the assets of the company that are hypothecated?—A. The amount is one thing and the value another. For instance, we acquired an interest in the Utah roads. We purchased 4,000 shares at 50 cents on the dollar. The amount of that would be

half a million at par, but its value is only $250,000. These securities that are hypothecated are securities that cannot be disposed of in the interest of the road, and therefore directors have consented to carry them until the company, by permanent loan, or in some other way, can become the absolute proprietor of these securities. If these securities should pass into the hands of strangers it would be disastrous to the company.

Q. My object is to ascertain what amount you have left available for the purpose of the company in meeting its obligations, or in conducting its operations, deducting what you have hypothecated?—A. I should say nothing. I should say we have no available securities beyond those hypothecated for the floating debt.

Q. So that you cannot calculate upon any of those securities as yielding you a single dollar toward carrying on the legitimate business of the road?—A. I think not.

Q. Have you no other floating debt that would be pressing on the company?—A. We have no floating debt except this sum of two million dollars, which I have named. But of course I do not refer to this controverted question with the Government about the interest. If this is an arrearage of interest, then that should be added.

Q. In case of a contingency that might curtail the receipts of the road, I want to know what you could calculate upon, outside the earnings of the road, to meet such contingency?—A. Nothing.

Q. You know of no other resources beyond the earnings of the road, on which you can rely, without resorting to outside loans?—A. There are none.

Q. So that in case you are overtaken by any unforeseen contingency, you know of no other reliance than to resort to outside loans from the directors?—A. I do not; and I think that that is the practical condition of every railroad in the United States.

Q. In the event of any trouble of that sort arising in the future operations of this road, can you rely with confidence upon such outside aid as will carry you through without embarrassment, and without affecting the solvency of the company?—A. Permit me to say that that depends entirely upon our relations to the Government. If the Government is hostile to us it would weaken the confidence of those who are aiding the company.

Q. Without reference to the Government, unless you get this large outside aid, of which you are not confident, you consider the company in rather a delicate position?—A. I should. I have already stated that I thought that, without the aid that has been furnished by the directors—some ten in number, I think—we could not have met all our payments.

Q. And that aid may break down at any moment?—A. I do not see how you can say so.

Q. I look upon the road as standing now upon its own basis; and my inquiry is, whether that road, on that basis, would be self-sustaining without this outside influence?—A. I do not think the company could pay that floating debt in a brief time and maintain itself. If we were crowded for the debt we could take the money and pay it; but that might impair the efficiency of the road, and might affect the safety of the public.

Q. What is your policy in reference to those lands when they come into your possession, if the Government turns them over to you?—A. I did not mean to say that the Government had withheld the whole of the land. We have patents for a good deal of land. We fix a low price

for the land, with a view to the rapid settlement of the country, because that makes the traffic. Our policy is to sell to actual settlers as fast as we can. We receive our land-grant bonds in payment and we give credits.

Q. What amount of those lands has the company now at its disposal?—A. I cannot answer that question except by inquiry from the land-department. We have sold about 2,900,000 acres of land. We have received in payment about $1,000,000 in bonds, and there is some $2,000,000 remaining due to us. I cannot tell, without inquiry at the Interior Department, what extent of land has been assigned to us. I have been informed that, from a failure of some appropriation, the Government surveys are not all made.

Q. So that you cannot calculate upon realizing anything upon those lands within a reasonable time?—A. No, sir. The settlement on them is increasing the traffic of the road. We are thrown on the resources of the road.

Q. All that you have to rely upon is the net profits that you are receiving from year to year?—A. That is all.

Q. With that amount of debt hanging over the company, you are unable to calculate on the feeling that may be manifested by the directors who have been disposed hitherto to help the company, and there is no other resource on which you can rely to meet those obligations pressing on you from day to day?—A. I do not quite assent to your statement that we cannot rely upon that feeling. The experience of the past makes a very good assurance for the future.

Q. But I understood you to qualify that by saying that if the Government interferes that resource will be cut off?—A. If the Government withholds the money due on transportation, somebody has to fill up the gap. I do not know who will do it.

Q. If the Government should see fit to put that road under a different administration, all those resources would be cut off?—A. Of course.

Q. In that event would there be anything to sustain the company so that it might not be driven into bankruptcy? Is there anything upon which the company can rely?—A. I think not, unless the earnings increase fast enough to make up the vacuum caused by the withholding of the pay for Government transportation.

Q. Have you any reason to believe that the revenue of the road will increase to such an extent as to relieve you from that embarrassment?—A. The revenue is increasing rapidly.

Q. What was the net revenue of the road last year?—A. Between four and five millions. The gross receipts were about nine millions. My impression is that the gross receipts this year will go over ten millions. How low we can keep the ratio of expenses depends a good deal upon the iron question and depends a good deal upon the snow-storms.

Q. What is your present organization in regard to the working of the road and keeping it in repair? Have you a chief engineer?—A. Yes, sir; we have a superintendent, who is a good engineer; we have not a separate engineering organization. The superintendent of the road is engineer.

Q. Have you resident engineers on the line of the road who supervise these repairs?—A. Yes, sir. We have all that well cared for, under his direction. He, however, has an assistant, who has charge of the working operations of the road.

Q. Have you a master of transportation?—A. I think we have. I do not know whether he is called by that name or not.

Q. You have a master of the road also?—A. Yes; we have all the ordinary organization of the eastern roads.

Q. What do you pay your chief engineer?—A. I think we pay him $10,000 a year. He is the superintendent and chief engineer.

Q. What do you pay your master of transportation?—A. I do not think we have an officer known by that name. That I think is peculiar to the Baltimore and Ohio and some other roads.

Q. Who discharges those duties?—A. They are discharged under Mr. Clark, the assistant superintendent. I think his title is that of assistant superintendent. I think he discharges the class of duties which on the Baltimore and Ohio road is discharged by the master of the road.

Q. And to whom do those officers of the company report?—A. To the president, and also to the principal office. They report to both. Then we have a local auditor, who is charged with the duty of reporting.

By the CHAIRMAN:

Q. In connection with this floating debt I understand you to say that it is about $2,000,000, if this two-million note should be regarded as null and void?—A. Yes, sir; I have treated that note as a nullity.

Q. But if it should turn out to be the fact that there is two millions due by the Union Pacific Railroad Company to the contractors of the Hoxie contract, then your floating debt would be $4,000,000, with the interest added on?—A. There are a good many set-offs independent of the main question. I cannot conceive of a state of things on which, from the facts existing, the Credit Mobilier can recover against the Union Pacific Railroad Company on that note.

Q. I show you a record of the board of directors of the Union Pacific Railroad Company, and call your attention to an entry made at the meeting of March 28, 1867, and ask you to read it to the committee.—A. (Reading.) "March 28, 1867. The board met pursuant to adjournment; present, Durant, Bushnell, Tuttle, Ames, McComb, Sherman. The minutes of the last meeting read and approved."

"Mr. Sherman reported as follows:

"The committee to which the account of the Credit Mobilier was referred, report: that vouchers for the items which, at our last report, were not furnished, have been now produced, and we have examined them and found them satisfactory. We therefore report that there was, on the 31st of January, 1867, due on the Hoxie contract the sum of $1,944,769.96, which, when paid, shall be a full and complete settlement of that contract for the construction and equipment of the road from the initial point to the hundreth meridian."

That is new to me, but it may not be improper to suggest that there may be the same disability attaching to this class of dealings that there was to the other.

Q. If that action of the board of directors of the Union Pacific Railroad Company is valid and based upon facts, then at the time that that note was given the Union Pacific Railroad Company did owe more than $2,000,000, including interest, under the Hoxie contract.—A. I do not see the relation of that to the note.

Q. Mr. Ham has testified before the committee in substance that this note was given pursuant to that order which was made by the board of directors.—A. I think he is mistaken.

Q. Then, what was the note given for?—A. I have stated that I am satisfied that that note was given as an indemnity to the obligors in a certain bond executed in the State of Pennsylvania, involving the interests of the Union Pacific Railroad Company.

Q. Was it not given for the consideration that is mentioned in that order?—A. I think not.

Q. Has this $1,994,769.96 ever been paid to the Credit Mobilier by the Union Pacific Railroad Company?—A. I do not know that it has been. It may be that the Credit Mobilier had it before.

Q. The directors of the Union Pacific Railroad Company admitted at that time that they owed that much money to the Credit Mobilier?—A. Yes, but the board of directors were under disabilities. I never paid that money, and I do not know that it has been paid or has not been paid. The Union Pacific Railroad Company claims to be the creditor of the Credit Mobilier to the extent of a million dollars.

Q. One of the officers of the Union Pacific Railroad Company, however, who was familiar with the operations of both companies, has testified that this money never has been paid, and that it was on account of it that the $2,000,000 note was given. The reason why I call your attention to this is simply to enable you to say in the light of it what you think is the floating debt of the Union Pacific Railroad Company?—A. That does not change my view at all. I do not believe that the Credit Mobilier can recover one dollar against the Union Pacific Railroad Company on the note account or on the book account.

Q. Can you give any explanation of the fact that the board of directors of the Union Pacific Railroad Company acknowledged at that time that amount of indebtedness to the Credit Mobilier?—A. You can form a conjecture as well as I can.

By Mr. SHELLABARGER:

Q. Why should the Union Pacific Railroad Company give a bond to operate as a collateral for an obligation of the Credit Mobilier?—A. That is a question which I have asked myself, but which has never been answered to my entire satisfaction. But this explanation has been given, that the suit involved questions affecting the liability of the Union Pacific Railroad Company to the Credit Mobilier under alleged contracts between the two corporations.

Q. That explanation is a little cloudy, is it not?—A. No; but it begs the whole question. But you will not forget what I said, that this note, an unstamped note, is in the hands of a director of the Union Pacific Railroad Company, who holds it in the interest of that company, and who, I think, would give it up, but says that no object would be accomplished by doing so, for it is not to be denied that there are unsettled accounts between the Union Pacific Railroad Company and the Credit Mobilier.

By Mr. SLOCUM:

Q. That note has been charged up to construction account?—A. That is mere book-keeping. That does not alter the facts or liabilities; nor do I think that any book-keeping, or any resolution changing the form of the transaction, or charging it to any particular account, can change the status of the parties, or affect their legal rights.

By Mr. HOAR:

Q. Is that embraced in the cost of the road, as reported by yourself to the Government this year?—A. Very likely it is. I have reported the cost of the road as it appears on the books. I cannot ascertain it, except by the books. If you think that the president of a railroad company can go behind in the history of the past, and verify such statements, then perhaps it is my duty to do so; but I should like to know whether I should charge that $25,000, which a Government commissioner "struck" the company, as part of the cost of the road.

Q. I understood that your suggestion is that the vote of the directors to which the chairman has called your attention was a vote of directors who were, or might be, under some disabilities as the original contractors to build the road?—A. Perhaps so.

Mr. HOAR. I was calling attention to the question whether the subsequent rendering that as a part of the expense-account of the road under oath to Congress, by a president and board of directors who were not under that disability, would, in your judgment, have any weight as an estoppal or recognition binding the company?

The WITNESS. Not the slightest. I recognize this fact that a note, given by the company, if duly stamped and not outlawed, would, *prima facie*, be the subject of recovery. The assertion of a claim by the Credit Mobilier on that note would throw the onus of proving its invalidity on the Union Pacific Railroad Company, and would involve the whole of those transactions. I should prefer to have the note canceled, so that the onus need not be thrown on the company.

By the CHAIRMAN:

Q. Do you think that you would get rid of the dificulty in that way?—A. I do not think that note worth a straw.

Q. Suppose the Credit Mobilier should see fit to bring suit, not upon that note, but on an account, or on the acknowledgment of an account, or on an account stated, and then should introduce this record as evidence, where would the onus of proof rest?—A. It would have to come up in a cross-bill, but the onus would be then on the Union Pacific Railroad Company, and would involve every transaction of the Credit Mobilier, *ab initio*.

Q. Can you make a first-class road with a 48-pound rail to the yard?—A. I should think that would be light iron.

Q. You could not make a first-class road with it, could you?—A. I do not know what you mean by a first-class road.

The CHAIRMAN. You have been speaking as an expert.

The WITNESS. I speak of a first-class road under this act.

Q. State whether you could make such a road as is contemplated by this act with a 48-pound rail?—A. I should doubt it, with the present traffic.

Q. You are contemplating a large increase of traffic?—A. There is an increasing traffic. I think that that is light iron for the traffic of this road to-day; but you do not understand me as asserting that it is 48-pound iron.

Q. The office of this company is in Boston?—A. Yes, sir.

Q. Is there any one at the eastern terminus of the road who has authority to make arrangements on account of freight?—A. Yes, sir.

Q. Has he the right to make special arrangements in regard to freight without consulting the office in Boston?—A. He has the right to make current arrangements. He has no right to bind the company beyond the present.

Q. That is to say, if somebody wished to ship a car-load or ten car-loads of freight over the road westward or eastward, he might make special arrangements?—A. Yes; governed by a tariff which is prescribed for all.

Q. But suppose he wished to make special arrangements outside of the tariff, has he the right to do so without consulting the heads of the company at Boston?—A. He confers with the superintendent. That is a power too dangerous to confide, and it is not confided without limit-

ation. He can make a special rate for current business, but he cannot make an agreement to carry freight at a certain price for a year.

Q. You say that, since this Wyoming Coal Company was organized, and this contract made with it, that that obnoxious feature in the contract has been eliminated from it by the consent of the coal company?—A. By the consent of both parties.

Q. Do you know whether your agent at the eastern terminus, who has the power to make special rates, is making special rates in favor of that Wyoming Coal Company for the transportation of coal?—A. I think not, because the Wyoming Coal Company complains that he treats others better than he does them. The complaint is just the other way.

Q. You think that nothing of that kind is being done?—A. I am quite confident of it, because the Wyoming Coal Company complains that they are not very well treated.

Q. The original effect of the contract with the Wyoming Coal Company was to give them 25 per cent. advantage over all other shippers?—A. No, sir.

Q. They were entitled to a drawback of 25 per cent. on the coal that they shipped?—A. Yes; and the effect of that was to discourage competition.

Q. If the Wyoming Coal Company were shipping coal over your road at the general rates, and if it got a drawback of 25 per cent. from your current rates, it would give them just that much advantage over all other shippers, would it not?—A. Yes.

Q. Unless you made the same arrangement with other shippers?—A. We should do so; we make no discrimination between one class of shippers and another.

Q. Would you not have done so under the Wyoming coal contract?—A. I rather think that that would be its practical effect.

Q. Where does the Central Pacific Company get the coal that it uses?—A. It gets a good deal of its coal by our line, and a good deal by the Horn.

Q. Then the effect of this contract was to enable this Wyoming Coal Company to develop its coal mines and to prevent others from developing coal mines along the line of the road, simply because it gave them the advantage in the way of underselling?—A. That might have been the effect, and it was alleged to have been the effect; and therefore the provision was abrogated.

Q. If your agent at Omaha or Council Bluffs, at the eastern terminus of the road, is carrying into effect the provisions of that contract, notwithstanding it has been abrogated by the company, then the effect would be the same precisely as though the contract had never been abrogated?—A. He could not do so; freights are payable in advance.

Q. You spoke of what would be a reasonable profit on construction of this road under all the circumstances—what did you fix it at?—A. I did not fix it. I said that an ordinary dry-goods merchant or grocer would want 25 per cent. per annum on his capital, but I did not attempt to state a reasonable profit here, because it is beyond the range of ordinary business transactions, as being a risk and a chance. I spoke of building roads in Indiana or Ohio where the result is certain, and where it is not uncommon for the builders to make 100 per cent.; but they take the risks of the future.

Q. If you were making an estimate as to what would be a reasonable profit for parties to make under such a contract as this, would you make your calculation of percentage on the whole cost of the road?—A. That

depends upon another state of facts. I did not express an opinion as to what was a fair compensation in this case. I said I thought it should be large, leaving aside the question of disability.

Q. You said that the road cost about $114,000,000; did you mean to say that it cost that amount in money, or that it cost that amount in the securities of the company, estimating those securities at what they were considered to be worth at the time by the parties?—A. I did not mean to go quite as far as that; I mean that that is the record on the books. I have stated that that is the cost of the road appearing on the books. It seems to be the amount of the debts and the stock of the company, but as to the real cost of the road I do not know what it was; I have never been able to make the investigation.

Q. Do you not know as a fact that that one hundred and fourteen millions was swelled to that amount by letting the work at a higher price in consequence of the fact that it was to be paid for in the securities of the company which were at a discount?—A. Of course. If you take at a hundred dollars a bond that is only worth fifty-five you have got to charge somebody the difference. The constructing company increases the price to that extent. That is human nature.

Q. The $114,000,000 is made up substantially by the capital stock, the two mortgage loans, the land-grant bonds, the income bonds, and the floating debt?—A. Yes; the company evidently gave that for the road.

Q. I understand you to say that contractors when they agree to take the securities of a road in payment for their contract increase the contract rate so as to make up the difference between the value of the securities and the par of the securities?—A. If they are sensible men they do.

Q. Do you know whether that was done in this case or not?—A. I know nothing of that; but it may be supposed that the contractor estimated the value of the securities he was taking in lieu of money when he was fixing the price.

Q. Then, can you tell how the Union Pacific Railroad Company got par for its stock, as required by the law under which the company is organized?—A. I did not say that it did. The company got a road which it accepted at such a price which covered the par of the stock. Whether it got that road too cheap or not you do not want me to express an opinion.

Q. The practical effect of this was that the Union Pacific Railroad Company did not get par for its stock?—A. The practical effect of it was that these constructing companies got all the securities, stock and all, as full-paid stock, and gave the road. The practical effect of it is that the Union Pacific Railroad Company paid that for the road to the contracting parties; and somebody made a profit equal to the difference between the actual cost and the amount realized from those securities.

Q. You have in your testimony called in question the action of the Government—— A. Of the Departments. I do not know of any unfriendly action on the part of Congress. I spoke of departmental action. I do not know that Congress has passed any law that was unfriendly.

Q. You have said, I believe, that as soon as the road ceased to be a means of dispensing political patronage then the raids upon it began?—A. I think so.

Q. I would like to know the persons to whom you referred when you spoke of those Government commissioners who had been getting funds from the company in the manner which you have indicated by your

testimony?—A. These commissioners have been different at different times.

Q. You have somebody in your mind?—A. I have in my mind the demand of payment, followed, as I have always understood, by the payment of $25,000 to a commissioner, Mr. Wendell, who was appointed during Mr. Johnson's administration to accept a certain portion of the road.

Q. Have you any other commissioner in your mind who treated you in the same way?—A. I have never heard that any other commissioner demanded money, and I have never heard that any other commissioner made a personal profit. The allegation made to me is that they required expenditures on the part of the company which greatly increased its actual cost, and were damaging to its real interests.

Q. Who were those commissioners to whom you now refer?—A. I cannot name them; it was before my time.

Q. I think it is due to the commissioners and to those who appointed them, that the names of these commissioners should be known, so that we may see whether they made anything out of the company.—A. I do not think they made any actual profit.

Q. Who are the parties who have thrown obstacles in the way of the company?—A. I did not assert that. I said that they made requirements.

Q. Who are the persons who made these requirements?—A. I will furnish you the names; I cannot give them to you now.

Q. Don't you know, from the records of the company, that the Government has been exceedingly prompt in the acceptance of this road and the issuing of bonds?—A. I think it was. I think the course of dealing by the Government at first was generous.

Q. Has not the Government been prompt all the way through in the acceptance of the road and the issuing of bonds?—A. I think the Government was prompt and liberal in the issuance of bonds. It is the subsequent dealings that I refer to.

Q. The subsequent dealing? Is that what you call these raids?—A. By raids upon the stock I meant, for instance, the withholding of money by the Treasury Department.

Q. That is what you call a raid?—A. Yes, sir; that is a raid.

Q. Is that the raid you referred to?—A. When I referred to raids, I meant first the raid of 1871; second, the raid of last winter, which did not amount to much——

Q. Stop. What was the raid of 1871?—A. By a raid the market value of the securities is depressed.

Q. Was the raid of 1871 the assertion of the right of the Government to withhold the amount due the company for transportaiton and apply it to the interest paid by the Government on the bonds?—A. When I used the term "raid," I used it as a market expression.

Q. What was this first raid of the Government?—A. I didn't say raids of the Government; I said raids upon the stock; the first raid—using the word "raid" as a technical term—was the assertion of the Secretary of the Treasury that he would apply all their earnings for Government transportation to the payment of interest, instead of one-half, according to the law of 1864.

Q. That is what you refer to, then, as a raid. What was the next raid?—A. The next raid to which I referred was last winter, at the time it was proposed to re-open this question.

Q. (By Mr. SLOCUM.) That is the one to which you alluded in your testimony yesterday?—A. Yes, sir.

Q. What was the next raid?—A. The next is the one that re-opens again this question of withholding the money. I used the term raid as applied to the stockholders. Secretary Boutwell, of course, didn't go on the road and make a raid.

Q. You hold the Department responsible for this raid?—A. I think so. The Department is responsible for the assertion and re-assertion of this alleged right which causes a raid upon the market.

Q. In other words, any claim that the Government makes—that is, any legal claim—upon the Union Pacific Railroad which requires the payment of money by them which you think you ought not to pay, you call a raid?—A. No, sir; I don't mean to say that; that is your own language. I say that it is any assertion which the Government makes in respect to this vital point—that is all; only on this vital point. You put me in the position of saying that any claim for money which the Government might make would have this effect.

Q. Well, then, if the Government makes any demand for money which you think you ought not to pay in law or equity, and the result of which is a depreciation of the value of the securities, that is a raid?—A. No, sir; what I call a raid is the assertion by the Government of an alleged right like the one I have referred to, the enforcement of which would probably lead the road into bankruptcy. When the Government construes the act of 1864 in a way so totally different from the well-known intent and meaning of it, the assertion of that claim makes a raid on the stock, because it affects the market-value.

Q. Well, there are two sides to that question?—A. Undoubtedly, sir.

Q. Do you know a tract of land in Omaha called the "initial point" land?—A. I have heard it spoken of.

Q. Do you know how much there is of it?—A. No, sir.

Q. Do you know who owns it?—A. No, sir.

Q. Have you ever had that matter investigated as to who was the owner of the land?—A. No, sir.

Q. Is that the land upon which it is proposed to erect depots?—A. No, sir; the land upon which it is proposed to erect depots was donated to the company by the city of Omaha.

Q. Is not this the land upon which it is sought to have the company erect its depots?—A. There never has been any effort made to my knowledge, during my administration, to have the depot erected upon any land except that donated by the city of Omaha; I never heard of any other. No such application was ever made to me. I ought to say, however, that there have been parties who desired the Union Pacific Railroad Company to build their depots in Iowa, on this side of the Missouri River, and treat that as the terminus of the road.

Q. Who owns the land over there?—A. Well, sir, I am afraid you will bring me into the domain of scandal again.

Q. We can hardly get out of the domain of scandal in these inquiries.—A. That seems to be the order of the day, but I do not want to introduce it. I determined, so far as the Union Pacific Railroad corporation was concerned, that its eastern terminus was the western bank of the Missouri River; and I decided also that, without an enabling act by the State of Iowa, the Union Pacific road had no status in that State. I decided this against the views of some of my colleagues in the board, and against a very large interest in Iowa, which sought to make the eastern boundary of the Missouri River the starting-point.

Q. Did the Government directors all decide against you on this question?—A. At the time I made the decision, Mr. Wade, of Ohio, was a Government director, and I think he differed from me, as did the other

Government directors, with the exception of Mr. Miller, of Nebraska. That was a fight between Nebraska and Iowa, and I tried to keep out of it as much as possible.

Q. I desire to know whether the Credit Mobilier owns some land on either side of the river?—A. I cannot say.

Q. Did not the Credit Mobilier claim to own land on the east side of the river?—A. I have heard it alleged that individuals connected with the Union Pacific Railroad had landed interests on the eastern side of the river which affected their position on this terminal question. I had no land on either side of the river.

Q. You say that the city of Omaha has donated land for a depot?—A. Yes, sir; and has donated bonds also, and we have agreed to build one.

Q. Have you built the depot?—A. No, sir.

Q. When was that?—A. A year ago. The question has been in controversy—the question as to where our terminus is.

Q. You have got, however, the land and the bonds?—A. Yes, sir; and we agreed to build the depot, and we have committed no wrong by not doing so, because they acquiesced in it. The extent, value, and character of the structure must depend upon the course of business, and the course of the business that comes over the Iowa roads. The Iowa roads at one time would not recognize anything west of the Missouri River.

Q. Who built the Omaha bridge?—A. I think that was built by the Union Pacific Railroad Company under the act of Congress. Under the act the bonds were issued and the interest on them paid by the Union Pacific Railroad Company out of the tolls of the bridge, and the deficiency the company pays out of its own earnings.

Q. When a car of freight is to go over the Union Pacific Railroad and it reaches this Omaha bridge, how do you manage?—A. We send an engine over to the other side and take it over, charging a toll for it.

Q. What do you charge for toll?—A. I don't know what it is under the present tariff. I think we take *pro rata* of the freight upon some agreed basis.

Q. Can you not give some general idea?—A. We charge tolls upon the bridge at the lowest rate which experience shows will maintain the bridge and pay the interest on its bonded debt.

Q. Suppose a car-load of freight was started from the city of New York to San Francisco, how would you manage?—A. It would be waybilled at the combined rates of all the companies, including the bridge.

Q. How much is embraced in it on account of the bridge?—A. That varies according to the general rate of transportation, and that depends upon the competition between the road and the Horn and the isthmus. I think the bridge in respect to freight takes its *pro rata* share, counting it by some particular rule which is adjusted by the freight agents of railroads from time to time.

Q. What becomes of the money received?—A. It goes into the treasury of the Union Pacific Railroad Company, and it is all applied on the bonds.

Q. Then you treat the Omaha bridge as belonging to the Pacific Railroad?—A. Well, sir, that is the disputed question. If we decide that it is, then the road begins in Iowa; and if it is not, then the road begins in Nebraska.

Q. If it does not belong to the Union Pacific Railroad Company, why do you put the tolls into the treasury of the company?—A. Because the Union Pacific Railroad Company guaranteed the sterling bonds of

the bridge, and out of these tolls it pays the interest on them. There would be no use in keeping up two fiscal agencies, so they are paid right into the treasury of the company.

Q. Is this bridge built on what is called the "initial point?"—A. Some might assert that it was, and some might assert that it was not; that is the disputed question. The Union Pacific Railroad Company has not intervened in this Iowa and Nebraska quarrel.

By Mr. SLOCUM:

Q. Government Director Wilson, the other day in his statement here alluded to some conversation that he had with you about becoming counsel for the Union Pacific Railroad Company; I wish you would state your recollection of that conversation.—A. Among the reforms that the present administration thought they might properly introduce, was one touching the employment of counsel and the immense disbursements for counsel fees. The amounts were very large, and I deemed them extravagant. Mr. Wilson was a Government director, and I knew him to be a good lawyer and an able man. I stated to him that I thought we paid too much money to lawyers, and I suggested that, as he understood well the character of most of the questions in controversy, he should render his services as counsel to the company, because I knew that he would accept compensation greatly less than what we were paying for the same class of services. Mr. Wilson declined, alleging that he might be compromised by it in his position as Government director. I differed from him as to his opinion, and I thought it rather his duty if he could serve the country in that way; but he thought not; that it would subject him to criticism, and he declined it. That is since I became president. The only service which Mr. Wilson has rendered of a professional character, is the compilation of that document now before you, which he prepared at my request and for the convenience of the company, embracing all the statutes applicable to it.

By Mr. HOAR:

Q. You gave the committee last night some correspondence by telegraph and to some extent by mail, and in prefacing your statement you said that you made some personal investigation which satisfied you that the person who had applied to you had applied in good faith and was not personally concerned in any attempt to extort money from the road. It seems to me that justice requires that you should state a little more fully on that point.—A. Mr. Cowlam, who addressed to me all the communications upon this subject which are before the committee, was a stranger to me. I had never heard of him nor did I know the relations which his friends bore to the road. I never saw him until after the Monday when the project failed, of which he gave me warning. He came to New York and I saw him. My conversation with him satisfied me that while he was cognizant of this intended raid he was not a party conspirator, and that his object in bringing the matter to my attention was that I might guard the interests of the bondholders and stockholders who would be affected by the transactions of Congress. I came to the conclusion, and I meant to have stated it on yesterday, that he communicated information of which he had become informed, but that he was not a *particeps criminis*. Who the conspirators were I was anxious to know, and inasmuch as the newspapers have charged that there is a gigantic conspiracy to defraud the Government of their $27,000,000 by letting the road pass into the hands of the first-mortgage bondholders, and as I myself with other gentlemen whose only wrong is that we loaned the road half a million dollars upon inadequate security to help

it up, are charged with being parties to this conspiracy; and as I am constrained to think that it is not impossible that such a conspiracy exists, I thought that those fomenting it should not charge it upon innocent parties, and as I had not the power to make such an investigation as to who these conspirators are, and you have, I thought it best to lay the whole matter before you. But lest this young man might think that injustice has been done him, I prefaced my statement by saying that I did not think he was a conspirator.

Q. What were the facts that you learned in that interview that induced you to form that opinion on the subject?—A. I am bound to say that I did it upon his statements, exercising my best judgment.

Q. You stated just now something about his friend being interested in the road?—A. No, sir; I did not say that. He stated in one of his first communications to me that he was private secretary to General Butler, and before I saw him I had become satisfied that General Butler did not occupy an inimical position to the road. He had been counsel for the road in earlier days, and I had not been informed that he was unfriendly to it. I came to the conclusion that the real truth was this: that parties who wished to make money by stock operations by reviving this question, had made somebody their confidant who had given the information to Mr. Cowlam, and that he in good faith made the communication to me, thinking that the conspiracy, as he called it, might be headed off, and that he would probably receive some compensation from the company. That was the impression that I derived from my conversation with him. He was very explicit in his statements in the letters, giving the character of the combination, their influence, &c.

By Mr. SLOCUM:

Q. In what letter did he give that?—A. In one of the letters I submitted yesterday.

Q. Does he give any name?—A. He gives no names. In the letter I refer to he refers to indefatigable workers, &c. I thought that if there is a conspiracy, a gigantic conspiracy, as the newspapers call it, to deprive the Government of the money it has put into this road, it was right that the matter should be thoroughly investigated, so that the public should not think that the innocent bondholders and stockholders of this road are engaged in that conspiracy, and that this committee should find out who are engaged in it, and let the responsibility rest where it belongs. We protest against any interference with the road, and assert that we have not done anything to aid in any way the causing of this alarm among the bondholders and stockholders of the company. I think it grows out of political agitation, and as the representative of nearly one hundred million dollars of property of American citizens and of foreigners invested in this enterprise, I would like to suggest to this committee whether the alleged frauds of the Credit Mobilier, the alleged transactions of former directors, whether any profligate waste of money, any bribery of legislators, any improper ownership of stock by members of Congress, that may have taken place prior to the road passing into the hands of its present owners, affect the equities of a class of innocent third parties whom I represent, and whose interests it is my duty to take care of.

By Mr. HOAR:

Q. Will it be in your power to procure for the committee a list of the names of the stockholders of the road at some recent date, and of the number of shares owned by each?—A. We can do it; it would require the action of the board to order the books to be closed.

Q. I don't care about that being done.—A. Well, sir, you have a list of the stockholders, as they then were, in the report of the road to the Government.

Q. But it don't give the number of shares owned by each?—A. That is impossible to ascertain of a current speculative stock.

Q. The fact which you wish to establish is that the stock has changed hands since certain transactions occurred, and that the persons who now own the stock are innocent of those transactions. Now, although a man may have bought stock since the 1st of March that does not appear on the books, yet so far as the transactions are recorded and show change of ownership. To that extent you have proved your point. If, on the 1st of March last, your books show that a Mr. John Brown who was not in the Credit Mobilier transaction, and who was not a stockholder at the time of the legislation of 1871, has bought one hundred shares of stock, you have to that extent established your argument, although Mr. Brown may have sold the stock since that date?—A. Yes, sir, that I can do; but I would like to explain to you, because the point of your question is material, as to the extent of the *bona-fide* ownership. Our books will not, in fact, show you whether these parties own it. Suppose Mr. Oliver Ames had some stock transferred to him yesterday. He might sell it again the same day, and there would be another purchaser, whose name would not appear on our books. Property of this description, subject to speculative dealing, and enormous transfers daily, has no settled ownership. Suppose a member of Congress wanted to go "short" or "long" on this stock, and he thought it proper not to show his name, he could buy and sell the stock through his broker, without his name appearing on the record.

Q. You didn't own stock at the time of the Credit Mobilier transactions?—A. I never owned a share of stock previous to 1872.

Q. Well, to that extent the books will show one innocent holder of stock at least?—A. Yes, sir.

By Mr. SHELLABARGER:

Q. State what you paid for the stock you bought.—A. I have no secrets; I will answer that question. I bought a large amount of stock at prices varying from 30 to 35.

Q. When was that purchase made?—A. In 1872. I never bought a share before that year. I bought nothing lower than 30.

Q. Was that original subscription to the stock of the company, or was it stock owned by other parties and which you bought?—A. I could not say. The stock had lost its ear-marks, and I could not tell its origin. When a stock is once transferred it passes from hand to hand and it has no ear-marks. We have but one kind of stock, and that is common stock; we have no preferred stock.

Q. The twentieth section of the act of 1864 provides that the corporation thereby created, and the roads connected therewith under the provisions of that act, shall make to the Secretary of the Treasury an annual report, wherein he shall set forth, first, the names of the stockholders, and their places of residence, so far as the same can be ascertained; second, the names and residences of the directors and all other officers of the company; third, the amount of stock subscribed and the amount thereof actually paid in; fourth, a description of the lines of road surveyed; fifth, the amount received from passengers on the road; sixth, the amount received from freight thereon; seventh, statement of the expenses of the said road and its fixtures; eighth, the indebtedness of the said company, setting forth the various kinds thereof; which report shall

be sworn to by the president of the company, and shall be presented to the Secretary of the Treasury on or before the 1st day of July in each year. That act has been changed so as to require those returns to be made to the Secretary of the Interior. It also requires that the Secretary of the Treasury shall transfer to the Secretary of the Interior those reports theretofore made, and requiring also some additional things to be returned. Now, the question I desire to ask is, whether these requirements of the law have from year to year been faithfully complied with up to this time by the Union Pacific Railroad Company?—A. I cannot answer that question of my own knowledge. The report of the treasurer, as adopted by the board of trustees during my administration, has been filed. I have no doubt it has been in former years, but I have no knowledge on that point.

Q. Have you ever made any such report yourself? You see that the law requires it to be sworn to by the president of the company.—A. I made oath to the report that was filed with the Secretary of the Interior in July last. Of course it related to a prior administration, and embraced only two months of mine.

Q. Did that report show the stockholders and their places of residence so far as could be ascertained?—A. Yes, sir; so far as could be ascertained from the books. I made no inquiries outside.

Q. Did the report that you made show the amount of stock subscribed and the amount thereof actually paid in?—A. I think it did. I think there is a paragraph in it covering that point. It didn't state how it was paid in, whether cash or otherwise.

Q. Has the company received the whole amount of bonds authorized to be issued under the acts of Congress?—A. I think it has. I think the Government bonds to the full amount stipulated have been delivered to the Union Pacific Railroad Company.

Q. The act of Congress requires, before the issuance of those bonds, that there should be certain certificates filed, as provided in the fifth section of the act of 1862, showing that the road was completed as required by law; and that requirement is that the road should be made ready for the service contemplated by this act, and supplied with all necessary drains, culverts, viaducts, crossings, sidings, bridges, turnouts, watering-places, depots, equipments, furniture, and all other appurtenances of a first-class road, the rails and all other iron used in the construction of the road to be of American manufacture of the best quality. That was all required to be done before you became entitled to these bonds?—A. Yes, sir.

Q. And to be done upon every part of the road upon which these bonds were issued?—A. Yes, sir.

Q. And you say you have received bonds for the entire line?—A. Yes, sir.

Q. Then the road has been dealt with, on the part of the company and of the Government, as a completed road?—A. If you will note the exception made by the commissioners appointed by the Government to report upon these facts, they did report that certain heavy work was not completed—that we had used trestle-work in the construction, which we were replacing as fast as we could by solid masonry; but they did not withhold their acceptance of it on that account, but treated the road as substantially done, treating us, in fact, with great liberality.

Q. The Government treated the road, in issuing you all the bonds you would be entitled to, as a completed road?—A. Yes, sir; and treated us with great liberality. It has not, however, given us a title to all our lands.

Q. Now, then, the inquiry I desire to make was especially this: whether you have paid to the Government the five per cent. of the net earnings that is provided to be paid upon completion of the road?—A. We have not, because we have not treated the road as completed. We have not done the acts which the commissioners required of us to do before it was a completed road. We have accepted the determination of the Government that it is an incomplete road until this work is done, and we have acquiesced in their withholding our land. I have been informed that appropriations have not been made for the surveys of some of these lands, and for that reason the patents have been withheld. If the road is completed, and we must pay the five per cent., we would be entitled to our lands.

Q. How is it that you are entitled to be paid all the bonds, which could only be paid upon the entire completion of a first-class road in every particular, and yet not to be required to pay your five per cent.?—A. Well, sir, for the reason that it was liberal dealing. It is difficult to say when a road is complete. Every road, especially in a new country, is built in the first instance with trestle-work over deep gorges, and is not made secure with solid filling until afterwards. The Government did not withhold the bonds, but stated at the time "We require you to do so and so, to finish the road." The Government has lost nothing, because it had the lands, not having given us the patents, and it treated us with the same liberality which any individual would when dealing with a contractor doing a valuable service to him. But all these bonds were delivered before the present administration came into power, and we have not been called upon by the Government to do this specific work.

Q. What would that work cost which you have got to do to entitle you to your land and to pay the five per cent. of the net earnings of the road?—A. I should think a half a million dollars, perhaps.

Q. What is about the proportion, as near as you can state it without looking at the books, of the lands to which you will be ultimately entitled, and that have not been patented to you?—A. I cannot say. The committee of the board of which Mr. Wilson is chairman have charge of the question, and Mr. Poppleton, counsel for the company, is contending in the Land Office about the matter. We have supposed that we were fairly dealt with in respect to the land, because we cannot get the lands until the surveys were made, and the surveys cannot be made until they have an appropriation for it. The amount of morgtage debt covering all the land, sold and unsold, is about $10,000,000; about $1,000,000 has been practically extinguished, and there are assets in the land department to extinguish $2,000,000 more.

Q. What assets?—A. When a man buys a farm he makes a payment on account, and we take his note for the balance, agreeing to take payment on the note in any bond of the company; the lower the price of the bonds, of course the better for him. The outstanding debt under the land-mortgage bonds in November was $8,948,000. The lands of the company remaining unsold amount to 11,430,948$\frac{72}{160}$ acres. We have got on hand notes for land sold, not counting interest, to the amount of $1,377,233.27, and when these notes are paid we shall give a title for the land to the purchaser free from any lien of any kind, and the mortgage, so far as it is unpaid, will remain a lien upon the lands unsold.

Q. What proportion does the mortgage bear to the probable market value of the land unsold?—A. That depends upon the settlement of the road. If the road is not interfered with, and is permitted to go on and

develop the country, I think the land will pay the debt; but if we are interfered with, or any trick played upon us, and our money kept back, of course the settlement of the road will be retarded and we won't be able to pay it.

Q. Then you cannot rely upon the land unsold as available assets, beyond the extinguishment of the land-grant mortgages?—A. That is all.

Q. You think if one squares the other it will be all right?—A. That is what we are depending upon. We have sold 649,000 acres to actual settlers, at an average per acre of $4.20. We sell in small lots, hoping by this means to increase the traffic on the road. There is no danger to the purchaser, because there is a trust created, by which, when he pays for his land, he gets a title from the company and from the trustees, freed from the lien of the general mortgage.

Q. Can you tell, approximately, how the lands that have been sold compare in value with the unsold lands, taking both classes in the aggregate?—A. There is a good deal of this land that is good for nothing—like alkali land. Two hundred miles of this land I don't suppose would be worth two cents, yet there are some who say the land will be worth something for some purposes.

Q. How do the lands sold compare on an average in value, as lands are now estimated by purchasers and by the company, with those unsold?—A. We have as good lands unsold as sold. We have not received the price that other railroad companies have, because we have felt that we had better sell our lands cheap and get settlers in, and make money out of the traffic. We have as good lands unsold, and in fact unsurveyed. You cannot tell the value of unsurveyed lands, but we have the hope that the lands will sell for enough to redeem that debt, and that, too, before a great while. There is about one-third of the land-grant debt paid. We have got eleven million acres, and have sold a little over half a million.

WASHINGTON, D. C., *January* 31, 1873.

ALEXANDER HAY sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Philadelphia.

Q. How long have you resided there?—A. Well, sir, I live there in the winter, and in the summer I go to York, Pennsylvania, where I was born and have always resided, except in the winter, when I live at No. 1330 Spring Garden street, Philadelphia.

Q. What is your occupation?—A. At present I am not engaged in any business except that of farming. I have retired entirely from business.

Q. Were you in the city of Washington during the time that the legislation of 1864, in reference to the Union Pacific Railroad, was pending?—A. I was.

Q. Were you taking any interest in the passage of the act of 1864?—A. I was.

Q. Did you receive into your possession, from any person connected with the Union Pacific Railroad Company, any of the bonds or stock of that corporation during that time?—A. I did.

Q. What was the character of the securities that came into your possession?—A. Late in the summer of 1865——

Q. I am talking about 1864.—A. Then I answer that I did not.

Q. Did you, after the pendency of that legislation, receive any of the bonds or stock of the Union Pacific Railroad Company?—A. I did.

Q. When did you receive it?—A. Late in the summer of 1865.

Q. From whom did you receive it?—A. An order was sent me by Joseph B. Stewart on Thomas C. Durant, of New York, to deliver to me two hundred and thirty construction bonds, as I think they were called, of the Pawnee and Leavenworth Railroad Company. I presented that certificate to Mr. Durant, who honored it and referred me, I think, to my friend Mr. Bell, or to Mr. Crane, although they do not appear to remember it now, and one of them delivered me the bonds called for in the order.

Q. What denomination were the bonds?—A. One thousand dollar bonds—two hundred and thirty of them. My impression is that I received these bonds from Mr. Crane or Mr. Clark Bell. I know very well that I receipted for them, and I also know that I have somewhere a copy of the receipt I gave.

Q. What other bonds did you receive at that time?—A. None other.

Q. Did you never receive any bonds of the Union Pacific Railroad Company?—A. Not under your question.

Q. Then I will put the question so broadly that there will be no misapprehension. Will you state whether at any time you received from any person any bonds of the Union Pacific Railroad Company, and if so, when, and what amount?—A. No, sir; I did not. Do you mean in exchange for the bonds I brought here?

Q. I ask you whether at any time you received from any person any bonds of the Union Pacific Railroad Company?—A. Yes, sir; I did.

Q. When was that, and from whom did you receive them?—A. I received them from Ashbel Green, counselor-at-law, of New York, and from Mr. Palmer.

Q. How many of these bonds did you receive?—A. About 54.

Q. One thousand dollar bonds?—A. Yes, sir.

Q. When did you receive them?—A. Late in March, 1866.

Q. Where were you when you received them?—A. I was in New York, on Nassau street.

Q. How came you to get these bonds?—A. Seventy-six thousand of those bonds that I brought to the city for Mr. Stewart were handed to me for the purpose of exchange under a contract or agreement made between parties to take up these construction bonds and issue first-mortgage bonds on lands west of Fort Riley, I think.

Q. What was the class of Union Pacific Railroad bonds that you received?—A. Land-grant first-mortgage bonds of the Kansas Pacific Railroad. It was special mortgage and secured on this land west of Fort Riley.

Q. I am talking to you of the Union Pacific Railroad.—A. I mean the Union Pacific. The Kansas Pacific was a branch of the Union Pacific, and the bonds I received were issued by the Kansas Pacific branch. They were land-grant bonds, and were secured upon 100 miles of land west of Fort Riley. I believe I am right in the description of them.

Q. I don't know that I understand you, and I will therefore ask you whether Joseph B. Stewart ever gave you an order on Thomas C. Durant for some bonds?—A. He did.

Q. What bonds did you receive on that order?—A. I believe they were temporary construction bonds issued by the Pawnee and Leavenworth Railroad Company. I could refresh my memory on this point if you will take the trouble to send to the Treasury Department and get

my affidavit, filed there late in November, 1865, where I set out these bonds in full. I have not seen one of them since, and it is not to be supposed that I will remember them; but in the communication made by me to Mr. McCulloch, I set out the character of these bonds, and claimed that under the act of 1864 he had no right to issue Government bonds until the company took up this outstanding indebtedness—these very construction bonds.

Q. What did you do with these bonds that you received from Mr. Durant?—A. I brought them here and deposited them with the president of the Merchants' National Bank of this city to the credit of J. B. Stewart, from which $76,000 was paid to me, and by me exchanged as I have already stated.

Q. Then of these bonds that you deposited in this bank you received back $76,000?—A. I did.

Q. What did you do with these bonds that you received back?—A. Part of these bonds belonged to me, and part to other parties who asked me to take possession of these construction bonds, so that when the time came to exchange them I could do so and pay over to them the proceeds, which I did.

Q. How many of them did you hold on your own account?—A. Between twenty-five and thirty of them.

Q. Who were the other parties who were interested in these seventy-six bonds?—A. I held for my friend, Colonel Silas Seymour, of New York, five or ten, I cannot tell which. He was a civil engineer and connected with the Union Pacific Railroad Company. I held, I think, ten—I am speaking now of the construction bonds that were afterward exchanged—for a Mr. Keeler, who was a civil engineer connected with the Pawnee and Leavenworth road, and I held, I think, fifteen for Robert Latham, who was also connected with that road. I held ten for Oscar H. Stevens, of Michigan, now of this city. The balance belonged to me.

Q. Did you exchange those bonds?—A. I did.

Q. What did you get in the place of them?—A. I got the bonds of the Kansas Pacific Railroad, called the Eastern Division of the Union Pacific Railroad. They were land-grant bonds, as I have already stated.

Q. What did you do with the bonds you thus received in exchange?—A. I had made advances to Colonel Seymour, and I purchased the bonds from him. I purchased a part of Mr. Keeler's bonds. I had made advances to Mr. Latham, but he paid me and I gave him the bonds. I delivered all the bonds due Oscar Stevens to him in this city.

Q. I repeat the question that I started out with awhile ago: Did you ever receive any bonds in your possession of the Union Pacific Railroad Company?—A. I did not, but I received money.

Q. Did you receive any money from the Union Pacific Railroad, and if so from whom?—A. Now I can explain that part of it. I did receive from Mr. Stewart the acceptance of Thomas C. Durant for $60,000, which acceptance was placed in my hands for collection. I collected it after a long, long time. I think when the acceptance matured I was paid $10,000 on it, and Mr. Durant gave me twenty bonds, which I took for $20,000. I cannot remember now what the bonds were. I placed them in the York National Bank, York, Pennsylvania, with which I was connected and was director. They lay there quite a while and one day the cashier asked me what I would take for those bonds; I answered hastily that I would take 90 cents. A few days afterward he called my attention to the fact that $18,000 was placed to my credit,

and that was the end of that transaction. I could not say whether they were the bonds of the Union Pacific Railroad Company or not.

Q. Did you collect the balance of the acceptance?—A. After a good while my impression is that Mr. Durant gave me twenty bonds of $1,000 each, of what are called the "five-year bonds," of the Kansas Pacific Railroad, and $10,000 in money, in settlement of his acceptance. That is the way, I think, it was paid. The bonds matured, I collected the interest on them promptly, and the money was paid me in 1871.

Q. What did you do with this $60,000?—A. The $60,000 was the property of Mr. Stewart, less any charges I had for services. I paid it and settled with Durant.

Q. Do you know of Mr. Stewart receiving a large amount of bonds of the Union Pacific Railroad Company?—A. I do not, and never heard of such a thing.

Q. Have you ever been connected with him in any other transaction in relation to railroad bonds of the Union Pacific Railroad Company other than what you have stated?—A. I was not; no other transaction.

Q. What were these bonds and moneys that you have spoken about placed in your hands for?—A. I have no more idea of that than any other gentleman in this room. For sixteen years I doubt whether there has been a fortnight that I have not used, or discounted, or endorsed paper with Joseph B. Stewart's name on it.

Q. You and he, then, are very intimately associated?—A. Yes, sir; I consider him my personal friend.

Q. Do you know anything about the transactions out of which the delivery to Mr. Stewart of these bonds and moneys grew?—A. Nothing more than any other gentleman whom you might meet on Broadway would know.

Q. Did he ever tell you anything of the nature of the transactions?—A. He frequently told me that they were indebted to him largely, and he often got advances from me. I was connected with him then. I believe I owned the railroad between the Baltimore depot and Alexandria at that time. I came here in 1863, and Congress granted me the privilege of bridging the Potomac. I did bridge it, and I paid for it. Mr. Stewart was connected with me in that transaction. He was secretary of the company, and undertook to raise the money to pay for it, and we did pay for it. I had had many money transactions with Mr. Stewart from a time previous to the granting of the charter for the bridge, and continuing up to day before yesterday.

Q. Do you wish the committee to understand that you have no recollection of the character of the transaction on account of which you received these bonds?—A. No, sir, I do not.

Q. What, then, was it?—A. Do you want hearsay?

Q. You can state what Mr. Stewart told you.—A. He told me frequently of the large interests the different parties that came to see him had in the Union Pacific Railroad Company, what a terrible struggle they were having here, and he asked my assistance and to join him as a peacemaker to get a bill reported satisfactory to the different parties, and I had conversations with him about it daily. During the short session of the preceding Congress we had had a very warm contest about bridging the river.

Q. Do you know the consideration for which Mr. Stewart received those bonds?—A. I do not; I know what he told me.

Q. Do you know anything of the negotiations that were going on, were you not present at any of the negotiations that were going on in relation to which these bonds were applied?—A. No, sir.

No information in regard to them?—A. None except what I de- from Mr. Stewart. Perhaps I may have heard other persons men- it. I had my office then in the same building with Mr. Stewart. president of a company to bridge the river, and I saw the people were coming in almost hourly to see him in relation to railroad ters.

By Mr. HOAR:

You say you took an order to Mr. Durant from Mr. Stewart?—A. Stewart sent me an order on Mr. Durant to deliver to me 230 bonds. ve already stated that I have forgotten the character of those bonds, I can furnish you that hereafter.

You think they were not the Union Pacific Railroad bonds?—A. nk not; they were the temporary construction bonds of some road.

What did you do with those bonds?—A. I brought them to this walked with Mr. Stewart up to the Merchants' National Bank and ited them to his credit.

Had you any interest in these bonds, or were you merely a mes- er?—A. I was merely a messenger at that time.

Was there any delay in the delivery of these bonds when you called hem?—A. I cannot get the circumstances in my head, but I think I think they were delivered to me within twenty-four hours.

Did you have any conference with Mr. Durant about the character e bonds?—A. None whatever. He gave me an order, or some- went with me and I got the bonds.

You had no interest, then, in those bonds?—A. At the time I ght them here?

Yes.—A. I had not, unless I had made some advances which Mr. art had said he would pay me out of these bonds.

Did you?—A. I cannot recollect. I had almost daily transactions him.

Did you go to New York on purpose for those bonds?—A. I had ee in New York, and was there a great deal of my time.

Did you go there on purpose to get these bonds?—A. O, no, sir.

Where was Mr. Stewart when he gave you the order?—A. I think nt it to me.

Sent it to you where?—A. Sent it to me in New York, or perhaps in Philadelphia, at my home.

Have you any books or memoranda of your transactions with h B. Stewart?—A. I have not.

Have you any book where your business loans or advances are re- d?—A. I have not.

Are you in the habit of keeping a cash-book in your business?— am not; I don't go in debt.

I understand other people go in debt to you?—A. Yes, sir.

Do you trust to your memory when these debts become due?—A. notes are discounted I send them to my bank or put them in my t.

What was your business in Washington aside from the construc- f the bridge?—A. In the winter of 1864?

Yes, sir.—A. I had no special business here.

Did you take any interest in the passage of the act of 1864?—A. very great interest.

In what capacity did you take an interest in that matter?—A. In voring to get a bill reported to Congress that would meet the ap- l of the different parties here who were asking Congress for relief.

Q. Were you in the employ of these parties?—A. No, sir.

Q. In whose employ were you?—A. Mr. Stewart sometimes called on me, and so did many of the gentlemen whom I see in this room now. I don't know that I can recall their names.

Q. Were you working gratuitously?—A. A good deal of it was gratuitous.

Q. How much was gratuitous, and how much not?—A. Well, Mr. Stewart paid me handsomely for what I did do.

Q. How much did he pay you?—A. Twenty-three thousand dollars.

Q. What were the services you rendered for which you received that amount?—A. For advances of money paid to him.

Q. I am talking about services.—A. I didn't refer to that service.

Q. Confine your attention now to the passage of this act of 1864. You say you took an active interest in getting that act passed; at whose instance did you take that interest?—A. At Mr. Stewart's instance.

Q. Anybody else's?—A. Thomas C. Durant.

Q. Anybody else's?—A. John D. Perry.

Q. Anybody else's?—A. A California gentleman—Mr. Huntington.

Q. Who was Mr. Huntington?—A. I believe he was vice-president of the Central Pacific Railroad Company.

Q. What relations did Mr. Durant have toward the Union Pacific Railroad Company?—A. I think he was vice-president.

Q. Did anybody else solicit your services?—A. A great many others.

Q. Who were they?—A. I don't remember. I think almost every person I see here now has spoken to me about it.

Q. A great many persons interested in the Union Pacific Railroad asked you to assist them?—A. Yes, sir.

Q. Did you do so?—A. To the best of my ability.

Q. Did you do it for nothing?—A. I did.

Q. Did it for nothing?—A. I did, except the payment by Mr. Stewart.

Q. How much did Mr. Stewart pay you on account of the services you rendered at the request of these gentlemen?—A. I am unable to answer that question. I cannot begin to say whether it was $5,000 or $30,000. I had made large advances to Mr. Stewart, and I cannot now separate the two.

Q. Did you get these bonds on that account?—A. Part of them.

Q. How many did you get for your services?—A. Ten or twelve thousand dollars of them.

Q. Is that all you received of them?—A. No, sir.

Q. How much more?—A. I got a considerable part of the draft for $60,000 for services and advances made. I cannot separate them.

Q. Can you not give the committee an idea of how much you received for services?—A. No, sir.

Q. Were you paid any sums of money for your services rendered to the Union Pacific Railroad in this behalf?—A. I think so.

Q. How much?—A. Perhaps $4,000.

Q. Who paid you that money?—A. It was not paid to me. It was paid for my stock subscription in this wise: Mr. Durant asked me to become a subscriber to the Union Pacific Railroad. I told him I would do so, and I did subscribe for twenty shares, at $1,000 each, which I held sntil the fall of 1867, when I sold my stock.

Q. To whom?—A. I think to the Credit Mobilier. I declined taking any interest in the Credit Mobilier to the amount of my stock, declined to have anything to do with the arrangement that was about being

, and I took steps in New York to enjoin them and they bought it.

How much did they pay you to get rid of you?—A. They paid me I asked; I think it was $4,000.

Who bought you off?—A. I don't know. Mr. Crain paid me. I I got my pay.

When did that occur?—A. I think it was the fall of 1867.

You cannot tell the committee, then, the amount of money you ed for the services you rendered at the request of these gentle-—A. I cannot. I would do it if I could.

Will you tell the committee the character of the services you ren-?—A. Yes, sir. They arose from the great desire to fix up a bill, id before. I spoke to several members of the committee—I knew every Senator and Representative at that time—and they as-me in getting a bill framed.

The service you rendered was in assisting in the preparation of a at was to be presented to the committee?—A. Yes, sir. I was ng in preparing the bill and endeavoring to talk to members ver I had an opportunity. We wished certain clauses put in the There was a great effort made here in regard to the Government ors—a great desire to get them taken out. I don't know but what ere in one or two of the roads.

Were you employed to get the bill so shaped as that there would opposition in Congress to it?—A. No, sir. My only employment out of my acquaintance with Mr. Stewart. He was very well to me, and frequently called on me in regard to it. Neither Mr. t nor anybody else had any dealings with me in connection with id.

You say they had nothing to do with you?—A. Not so far as the nt of money was concerned.

Who did you get the money from?—A. From Mr. Stewart.

Did Mr. Stewart merely employ you, and these parties talk to you it?—A. There was no employment about it. Mr. Stewart and were warm personal friends; we were constantly together; our were adjoining. I was president and he was secretary of a com-o build a bridge above here, and he asked me for my assistance hat man and do this, and I did it cheerfully. He said I would paid, and he did pay me all I asked for.

How much did he pay you?—A. I cannot say.

Have you any books or papers throwing any light upon these trans-

think there is a copy of the receipt I gave for the 230 bonds in . I think also I have a memorandum of the different parties gave these bonds to and what I advanced on them. I will say at when the messenger found me in Baltimore on Monday night, hen a case on trial in the United States court, and I urged him e go to New York and look for these papers, but he declined. been anxious up to this hour to go there.

By the CHAIRMAN:

When did you leave the city of Washington?—A. What do you

id you leave the city of Washington since this committee began estigation?—A. I left Washington for New York last Sunday week ago, and went to Philadelphia. I left Philadelphia for

New York on Monday night, and returned to Philadelphia from New York on the following Saturday evening.

Q. Did you and Mr. Stewart leave this city together?—A. No, sir; Mr. Stewart met me in Baltimore to try my case there. I saw him also in New York.

Q. Did Mr. Stewart and you register in Baltimore together?—A. I met Mr. Stewart in Baltimore Monday, and asked him to breakfast with me; after breakfast we went to court, and returned to the hotel in the evening. I went to bed, and they brought me out of bed here.

Q. Did you leave your baggage in Baltimore?—A. I had only two shirts with me, and I brought them here. I have been urging them to let me go back and get some more.

Q. I will ask you to state whether you and Mr. Stewart did not leave here in order to avoid a subpœna from this committee?—A. We did not.

Q. I will ask you whether you didn't leave your baggage here and go to Baltimore in order to avoid a subpœna?—A. I did not; my baggage, consisting of a trunk full of papers of a case in the Supreme Court, I left here.

Q. Do you know anything of the deposit of $169,000 of bonds of the Union Pacific Railroad, in this bank of which you have spoken, by Mr. Stewart?—A. Never heard of such a thing.

Q. Do you remember the investigation which was had once into the affairs of that bank?—A. I know there was an investigation, and I have good reason to remember it.

By Mr. HOAR:

Q. I understand you to say that you had received from Mr. Stewart, about the time of the passage of this legislation of 1864, a sum of money or bonds partly for advances and partly for services; is that so?—A. Yes, sir.

Q. How much, according to your best judgment, was the value of all you received from him?—A. I cannot begin to name it.

Q. I do not speak now of the payment of debts contracted in the course of business, but I speak of money which you received either as compensation for services or as a compensation for business advances?—A. I could not say, and I will tell you why——

Q. It is not necessary to tell me why. Did you receive from Mr. Stewart in that year, either as a compensation for services or for advances made to him, an amount equal to $50,000?—A. No, sir.

Q. Did you receive $30,000?—A. No, sir.

Q. Did you receive $20,000?—A. Possibly $20,000; I think Mr. Stewart paid me $15,000 or $20,000. I discounted and bought a great many bonds from him.

Q. How much of that do you think was for services?—A. I think that Mr. Stewart paid me at least $10,000; I would say more than $10,000.

Q. For services in connection with the legislation of 1864?—A. I shall not place it exactly on that ground. I was doing him many services; I was raising money for him continually.

Q. I am speaking now of the services you rendered in securing the legislation of 1864.—A. I cannot state that; I put no value on those services. If he had never paid me anything I should not have said a word about it.

Q. Were those services merely those conversations with members of Congress?—A. That is all.

Q. What was your occupation in life at that time?—A. I had retired from manufacturing at the breaking out of the war. Just before that I

connected with the India-rubber litigation with Horace H. Day and
Were you a lawyer or a merchant?—A. I was not a lawyer. I
raised a hatter and worked as a hatter——
What was your occupation in 1864? Be good enough to confine
self to the questions asked, unless there is some good reason for not
g so.—A. Well, sir, I was a gentleman.
What were these clauses in the act of 1864 which you had special
est in?—A. I remember there was great controversy over the
nth section of the act of 1864.
What did it relate to?—A. It was in relation to allowing the com-
to issue first-mortgage bonds.
Were not your services in regard to the act of 1864 mainly to
the subordination of the Government lien to the first-mortgage
—A. Partly they were.
What else were they for?—A. To speak to members of Congress
rge them to vote for the bill as reported. I believe I knew almost
member at that time.
Were the advances you made to Mr. Stewart made to him direct,
re they made to other persons at his request?—A. To him in all
unless to Mr. Oscar H. Stevens, who was assistant secretary of
ilroad company.
Were you charging Mr. Stewart for these loans?—A. They were
for ten days or two weeks. I don't know that I was.
You say Mr. Stewart paid you an amount equal to fifteen or per-
twenty thousand dollars for services and advances. Now, did you
these advances in all cases to Mr. Stewart in person?—A. Always,
it was to Mr. Stevens to pay the contractor for the bridge.
Do you wish to state and affirm as a fact that, out of the fifteen or
y thousand dollars, or whatever the sum was which Mr. Stewart
ursed to you, $5,000 was compensation for advances of money?—
hink a heap more than that; but I am unable to state more fully
I have already stated.
Do you think it was equal to $5,000?—A. I do.
Did you take Mr. Stewart's note?—A. No, sir. What was the use
note? Sometimes I did and sometimes I didn't.
Was Mr. Stewart in 1864 a person of responsibility and solvent?—
was in 1864.
A person who would be able to borrow $100,000 on his own
ty?—A. I would have given him $50,000 without any other
y than his word.
What did you mean by asking "What's the use of his note?"—A.
ver had any real estate. If he didn't want to pay he wouldn't
e whether I had his note or not.
Your confidence for being re-imbursed in those loans was in Mr.
t's integrity and not his property?—A. I am speaking of Mr.
t's integrity. My confidence was unlimited in his integrity, com-
g back 16 or 17 years ago, when he had the ability to meet it. He
confidence then; he has it now; that is, as to his integrity.
Was he a man of general credit in the community for pecuniary
ibility; I do not speak about his personal character, but about
eral credit in the community?—A. I believe it was as good as
e's.
Do you know or were you at that time informed of the payment to
mber of Congress, of either House, of any sum of money or thing
e, or the promise or engagement to pay to any member of Con-

gress of either House, of any sum of money or thing of value, directly or indirectly, to aid or to procure the passage of the legislation in relation to the Union Pacific Railroad Company?—A. I do not.

Q. You fully negative all that question?—A. All of it. I do not know that I can say any more. I do not know of any such thing.

Q. Do you know of the payment or were you informed at the time of any payment to any person connected with the press, either as proprietor, correspondent, or reporter, of any money or thing of value, or the promise of any such payment, directly or indirectly, to obtain their influence or to withhold their influence in regard to the passage of the act of 1864?—A. I do not; unless this Mr. W. J. Keeler was writing for the press, although I do not know.

Q. Were you informed that these persons for whom you received some bonds, as you have described, received them in compensation for services in aiding this legislation?—A. I know they were all interested in getting the act through.

Q. What consideration did these parties give for these bonds?—A. I do not know. I asked no questions.

By the CHAIRMAN:

Q. Were any moneys or bonds paid you by the Central Pacific Railroad Company?—A. No, sir.

Q. Or anybody connected with it?—A. No, sir.

Q. Did you get anything from Mr. Huntington?—A. No, sir. A short time before the passage of the bill in the House of Representatives he stopped at my room, and I said to him that the vote was so strong in that bill that they would not call the yeas and nays on it on the final passage. He slapped me on the shoulder and said if the bill passed in that way he would make me a present. I met him in New York a day or two afterward, the bill having passed in that way, and I reminded him of his promise, and he said he would see me in the afternoon. I didn't see him in the afternoon and I haven't seen him since.

Q. You didn't get anything from Huntington?—A. No, sir.

Q. Or from anybody else on that account?—A. Not one dollar; not even a cigar.

Q. How did you come to exchange those bonds that you received in New York?—A. Myself and others were notified that the bonds were to be exchanged.

Q. Was it a part of the original understanding that they were to be exchanged?—A. No, sir.

Q. How was it that one set of railroad bonds were exchanged for another?—A. That was a very complicated matter, and I will endeavor to explain it. These bonds I brought from New York were exchangeable on their face for something, I don't know what. When the first section of the Kansas Pacific Railroad, which had been called the Pawnee or Leavenworth road, had been accepted, the owners and holders of these certificates claimed that under the act of Congress of 1864, before the Government issued its bonds, the road should be required to take up the temporary construction bonds. Mr. Perry and his secretary were out here for the purpose of getting the Government bonds on so much of the road as had been accepted, and had filed the necessary affidavits with the Secretary of the Treasury. Learning that fact I immediately went to Mr. McCulloch and stated to him all the facts in relation to these construction bonds. He asked me to write him a letter setting forth all the particulars. I did so that afternoon and made affidavit to it. That had the effect of stopping for the time the issuing of the Govern-

ment bonds, and brought about an arrangement between the parties interested in the Kansas Pacific road and the holders of the construction bonds by which those bonds were exchanged, as I have heretofore stated.

WASHINGTON, D. C., *February* 1, 1873.

WEBSTER SNYDER sworn and examined.

By the CHAIRMAN:

Question. Have you been at any time in the employment of the Union Pacific Railroad Company; and, if so, when did your employment begin, and in what capacity?—Answer. My employment began in October, 1865, as general freight and ticket agent, and I was employed in that capacity till the year 1867.

Q. Had you any other employment under the Union Pacific Railroad Company?—A. From May, 1867, to July, 1869, I was general superintendent of the road.

Q. Where do you now reside?—A. In Jamaica, Long Island.

Q. Do you know of any money having been paid to any Government officials by the Union Pacific Railroad Company?—A. No officials that I know of, except the Government commissioners. I used to pay them.

Q. What Government commissioners did you pay money to?—A. I think I paid them all.

Q. Give the names of those to whom you made payments?—A. I think all the commissioners who acted in accepting the road; I paid them mileage, &c.

Q. Did you pay anything except mileage to any of them?—A. I never paid anything except for mileage and services (whatever they were entitled to) but to one.

Q. Who was that one?—A. That one is dead.

Q. What was his name?—A. Cornelius Wendell.

Q. How much did you pay him?—A. Twenty-five thousand dollars.

Q. For what purpose or on what account did you pay him that $25,000?—A. He was appointed Government commissioner, and declined to act.

Q. In what respect did he decline to act?—A. He declined to take any action as Government commissioner.

Q. Where was he when he declined to act?—A. I think it was at Laramie, in Wyoming Territory.

Q. Had he gone there pursuant to his appointment?—A. Yes; I presume so.

Q. When was this?—A. In November or December, 1868; I have forgotten which.

Q. State to the committee what interview or interviews, conversation or conversations, you had with Mr. Wendell on this subject?—A. Mr. Wendell was there several days, and looked over the road, but did not appear to pay much attention to it, or to anything else connected with the road.

Q. What did you do?—A. I did not do much; I talked with him when I met him.

Q. What did you say to him in that connection?—A. That I should like him to take action or to do something. We had applied at that time for the acceptance, I think, of eighty miles of the road, and the other commissioners were there ready to act. I said that the company

had spent its money in good faith, and that he was delaying us a keeping the company out of millions of money, which I thought unjust and unfair.

Q. Did you make any proposition to him with relation to this matter in order to induce him to act?—A. I did not.

Q. Did he make any proposition to you?—A. He did.

Q. What was that proposition?—A. To pay him $25,000.

Q. How much of the road had you desired to have accepted at the time?—A. Eighty miles, I think. It may have been but sixty, but my impression is that it was eighty. There had been some delay in appointing a successor to Dr. White, and Mr. Wendell arrived some days after the other commissioners.

Q. Are you quite certain that it was eighty miles of the road that you desired then to have examined and accepted?—A. I am not positive, but that is my impression.

Q. I will show you a statement from the Treasury Department showing the dates of acceptance of the road and of the issuing of the bonds. On the 21st October, 1868, there was twenty miles accepted, and $[illegible] 000 of bonds issued; on the 19th of November, 1868, there was twenty miles accepted, and $640,000 of bonds issued; on the 5th December, 1868, there was forty miles accepted, and on the 7th December there was $1,280,000 in bonds issued, and on the 12th December there were twenty miles accepted, and $640,000 in bonds issued. If you are right in stating that this occurred in November or December, 1868, is it possible that this statement from the Treasury Department is correct, or is it possible that there could have been either eighty or sixty miles of road then to be accepted?—A. I think we had sixty at the time. I am pretty positive we had sixty, and my impression is we had eighty.

Q. Do you recollect whether there was more than one report made by the commissioners favoring the acceptance of this road about that time?—A. Yes, sir; I think there were two reports at the same time.

Q. From this statement by the Treasury Department it seems that one report was made on the 5th of December for forty miles, and the other on the 12th of December for twenty miles. Was it with reference to the forty miles or to the twenty miles that you were asking to have the report of acceptance by these commissioners?—A. I wanted to have a report for what work was done at that time. I cannot say that it was for forty miles, or for sixty miles, or for both. I think it was for both. I think we had more than sixty miles completed when Wendell came out.

Q. Then, four days thereafter, on December 16th, twenty miles more were accepted?—A. Yes.

Q. And then, seven days after that, on the 23d of December, 1868, twenty miles more were accepted. Were there separate reports for each acceptance?—A. I think so.

Q. You say that Wendell proposed to you that if you would give him $25,000 he would act?—A. Yes, sir.

Q. Did he say that he would make a favorable report?—A. No, sir.

Q. He simply proposed to act?—A. Yes, sir.

Q. Did you take a receipt from him for the $25,000?—A. I did not.

Q. Did you make any private memorandum with reference to it to show to your superiors?—A. No, sir.

Q. You said a moment ago that you had paid money to all of the commissioners. Did you pay to any commissioners, other than Mr. Wendell, any sum of money in excess of mileage and services?—A. No, to my knowledge.

Q. In what way did you compute the mileage?—A. From their residence.

Q. At what rate?—A. Ten cents per mile.

Q. At what rate did you compute their services?—A. Ten dollars per day.

Q. Did you take receipts from all other commissioners for the mileage and services?—A. I did.

Q. And returned them to the office?—A. Yes; to the office at Omaha.

Q. Do you know of anything of value, either bonds, stocks, or anything of that kind, being given to any other of these commissioners?—A. No, sir.

Q. Have you any information that anything of that kind was done?—A. No, sir.

Q. Did you never pay any money to Dr. White, or deliver to him any bonds or stocks, on account of the acceptance of the road, other than for mileage and services?—A. No, sir.

Q. Did you ever pay, or cause to be paid, indirectly, any sum of money, or deliver anything of value to any Government official, other than you have stated here in your examination?—A. No, sir.

Q. Have you any information that anything of that kind was done?—A. No, sir.

By Mr. HOAR:

Q. Where was this payment to Mr. Wendell made?—A. The payment was made at Omaha.

Q. You and he had, both of you, been in that vicinity for some time before the payment?—A. No, sir; we were at Bryan, at the western end of the road.

Q. How long had you been in Mr. Wendell's company before that payment was made?—A. I do not know; probably two weeks.

Q. What officials of the road, or persons active in the management of its affairs, had been with you during those two weeks?—A. Mr. T. C. Durant was there part of the time. He was vice-president and general superintendent.

Q. Had you authority to pay out money on your own discretion to the amount of $25,000?—A. I think so.

Q. By what authority did you make this payment to Mr. Wendell?—A. On my own responsibility.

Q. Did you have any other authority but your own for doing it?—A. No, sir.

Q. Name all the persons with whom you conversed about the same before you made the payment.—A. I do not think I conversed with anybody except Dr. Durant.

Q. Did you converse with Dr. Durant?—A. I did.

Q. He was vice-president of the company?—A. Yes.

Q. Who was then president?—A. Oliver Ames.

Q. The vice-president was performing the active duties of the president, so far as giving directions about the construction of the road, was he not?—A. He was the general manager.

Q. What conversation did you have with Dr. Durant concerning that payment before you made it?—A. I cannot remember the exact words. I told Mr. Durant that Mr. Wendell had declined to act, and had made this proposition to me. That is the substance of it.

Q. What did Dr. Durant say?—A. Dr. Durant said he would not authorize it.

Q. What then?—A. That is all I remember, particularly.

Q. Did Dr. Durant forbid it?—A. I think he did.

Q. If Dr. Durant had forbidden you to make such a payment as that would you have regarded your authority as superintendent to have warranted you in doing it in defiance of his objection?—A. There was a particular exigency in the affairs of the road at that time.

Q. That is not an answer to the question. Had you authority as superintendent of the road to expend $25,000 of its money against the emphatic objection of the vice-president?—A. Mr. Durant objected to it, and I assumed the responsibility.

Q. You do not answer my question.—A. I think that if he had positively forbidden it, I might have conferred further with somebody else.

Q. Be good enough to answer the question, whether you considered you had authority which warranted you in paying $25,000 of the money of the company for such a purpose against the emphatic and serious objection of the vice-president?—A. I cannot answer it more definitely than I have done.

Q. Did you consider that you had authority to pay $25,000 of the money of the company for such a purpose against the emphatic and serious objection of the vice-president?—A. Hardly.

Q. Did Dr. Durant say anything other than that he would not authorize it?—A. We had some conversation. I have forgotten what he said. That was the substance of it.

Q. Did you understand him to forbid it, or prohibit it, if you chose to do it without his authority?—A. No. I did not understand him as absolutely forbidding it.

Q. Were you ever called to account and rebuked for that payment by your superiors in the administration of the road?—A. I had some conversation with Mr. Durant in relation to it, and I had a letter in relation to it from Mr. Oliver Ames, the president of the company.

Q. Have you got that letter?—A. I have not.

Q. Do you know where it is?—A. I do not.

Q. Can you state the substance of it?—A. The substance of it was, as near as I can remember, that I had done wrong in paying that amount of money.

Q. Were you removed from your office as superintendent?—A. Not at that time.

Q. How long did you continue in office after the payment of that money?—A. I think this was in November or December, 1868. I was removed from office in July, 1869.

Q. By whom?—A. By General Dodge and C. S. Bushnell.

Q. What cause was assigned for your removal?—A. I do not know that any was.

Q. Had you any reason to believe, at the time, that you were removed for making the payment to Mr. Cornelius Wendell?—A. It was never so intimated to me.

Q. Who was present besides you and Mr. Wendell when you paid him this money?—A. Nobody.

Q. State the names of all the persons connected with the company to whom you reported that payment after you had made it?—A. I cannot do that.

Q. In what form did you make your report of the payment, or to what account was that $25,000 charged?—A. I think it went to the account of contingencies, or possibly to the account of construction.

Q. Did you inform Mr. Durant that you had made the payment immediately after you had done it?—A. I cannot say.

Q. Have you any doubt that Mr. Durant knew at the time you did it?—A. I do not think Mr. Durant was at Omaha at the time I made the payment.

Q. Have you any doubt that Mr. Durant knew it was done, at the time, or immediately after?—A. The matter was pretty notorious why Mr. Wendell came out to that country. Mr. Durant probably heard of it. I do not think he heard of it directly from me.

Q. Did you report it to anybody connected with the road?—A. That I do not recollect.

Q. Where did you get the money that you made the payment with?—A. I borrowed money from the Omaha National Bank, in a draft on New York.

Q. In your own name?—A. Yes, sir; they let me have it.

Q. Did you give the credit of the company, or of anybody connected with it, to the Omaha bank?—A. I did subsequently. At the time I got the money I gave my own name.

Q. You had no indorsement or security from any quarter?—A. Not at that time.

Q. You borrowed $25,000 from the Omaha National Bank, on your own account, in the form of a draft on New York?—A. Yes.

Q. What contract was it charged to, if it was charged to construction?—A. I cannot say. I was not employed in the construction department.

Q. Under whose contract was the construction then going on?—A. I presume under the Oakes Ames contract. I do not know.

By Mr. SWANN:

Q. Who authorized you to borrow this money from the bank?—A. Nobody. I told the cashier of the company to arrange with the bank.

Q. You did that on your own responsibility, too?—A. Yes, sir.

Q. Had you any conversation with Mr. Wendell at the time of this transaction as to his reason for withholding his assent at the acceptance of the road. Was there any objection on his part to the manner in which the road had been completed?—A. No, sir.

Q. He stated to you flatly that he wanted $25,000?—A. He did.

Q. And he gave you no reason why he wanted that money?—A. No, sir.

Q. Or whether the completion was satisfactory to him or not?—A. No, sir.

Q. He wanted the money in consideration of his coming to your arrangement?—A. He wanted it as blood.

Q. And you gave it to him as blood?—A. I did.

Q. Did he tell you what he was going to do with the money?—A. He did not.

Q. How could you reconcile it to yourself as an officer of that company to hand over that large amount of money to a person who had no right to make the claim? How did you justify yourself to your superiors when it was objected to by the vice-president?—A. It was absolutely necessary that something should be done.

Q. And you considered yourself the judge of that?—A. Yes, sir.

Q. So that he could have taken $50,000 or $100,000 from the treasury if he had thought proper?—A. I assumed the responsibility of the $25,000.

Q. Would you have assumed the responsibility of a larger sum if necessary?—A. It would have depended on the situation.

Q. You considered yourself authorized to spend just as much money

as was necessary to accomplish your purpose?—A. I cannot say that it was my individual purpose.

Q. You were acting on your individual responsibility?—A. I was acting on my responsibility as an officer of the road.

Q. But without reference to the instructions of the company?—A. The president and directors were in Boston and New York, and I was 800 or 900 miles west of the Missouri River.

Q. And you considered this simply as blackmailing?—A. Precisely; nothing more or less.

Q. When he got that money he came promptly into the traces and did what he stipulated to do?—A. He did not stipulate to do anything except to take some action. I did not have the money at the time, and could not get it till I went to Omaha.

By Mr. SHELLABARGER:

Q. Who were the other commissioners who were there along with Mr. Wendell?—A. F. P. Blair and N. P. Buford.

Q. Did they show any reluctance in the discharge of their duty on that occasion?—A. Not a particle.

Q. They were ready to make a report without any influence?—A. They had been ready to make their report several days before Mr. Wendell got there.

Q. What time did this transaction take place?—A. In November or December, 1868.

Q. Is there not any entry on any book or any memorandum, to which you could apply to fix the exact date?—A. None in my possession.

Q. Can you fix in your memory the exact date of the payment of this $25,000?—A. I cannot.

Q. Can you tell which of these two months it was in?—A. I cannot tell positively. I think it was in December.

Q. Can you say whether it was before or after the holidays?—A. Before, I think.

Q. Can you state what part of the line it was that this work was completed upon which Wendell declined to report upon?—A. I think it was between the eight hundred and eightieth and nine hundred and eightieth mile-post, or there somewhere.

Q. Where did these mile-posts start?—A. They began at Omaha.

Q. That would take it very near to the west end of the Oakes Ames contract?—A. I am not familiar with the Oakes Ames contract; I know nothing about it; it would run about nine hundred miles west.

Q. Then this was under the Oakes Ames contract?—A. Part of it may have been. My impression was that it was between nine hundred and nine hundred and eighty miles.

Q. Where were you located at the time of this transaction?—A. I think at Bryan, Wyoming Territory. Bryan is about six or eight miles west of where the road crosses Green River.

Q. Was that where the work was that you wanted Wendell to accept?—A. It was either immediately east or immediately west of it; that was our western business terminus.

Q. Did the work which you wanted him then to accept include the point where Bryan is?—A. I have forgotten.

Q. What railroad structures are now on that road that were not there in December, 1868?—A. I have no idea; I have not been there for five years. I was there about a month after the commissioners examined that road, and I have not been there since.

Q. Do you not know, as a matter of fact, that there have been addi-

l works made along that part of the road since its acceptance by dell in order to complete the work?—A. No, sir, I do not—not to ntent. Some little work was done out there while I remained on ad.

What was that little work? Describe it.—A. We may have put engine-house and some section-houses, and probably an eating-

How many engine-houses have been put up there since that trans-, and where were they put up?—A. I cannot say.

What increase of equipments has been made since that accept-?—A. I have no idea.

What besides engine-houses have been put up since?—A. I can-y.

Have there been any drains or culverts made since?—A. I cannot to that. I have not been there for four years. I presume that a deal of work has been done; but I do not know.

Can you state whether that road was then so completed with all nent structures, including drains, culverts, viaducts, crossings, s, bridges, turnouts, watering-places, depots, equipments, furni-and all other appurtenances, as to constitute it a first-class road at ime?—A. I think it was.

In all these respects?—A. Yes, sir.

Then why has work been done since?—A. Work is constantly n every road.

I am speaking now of permanent structures, so as to complete the An engine-house is part of the requirements of the law. You at some have been made since?—A. The equipments and build-f that time were adapted to the business necessities.

Were they not temporary structures?—A. The side-tracks, bridges, ere all good, permanent structures.

Did not Wendell say to you that that road was not furnished as -class road at that time?—A. No, sir.

Did neither of the other two commissioners say so?—A. No, sir.

The law requires that there shall be a certificate of the commis-s to the effect that the road is completed as required by law, be-hese subsidies shall be issued to the company. Were you not d that the certificate of two commissioners would do without the ure of the third—that a majority of the commissioners was ?—A. I did not so understand it.

Did you consult with the other commissioners about that time, as ther it was necessary to buy over the third one?—A. I did not.

Were the other two willing to sign a certificate of completion?—hink they were.

Did you ask them?—A. I do not know that I did ask them. The as built as a first-class road. There was no reason why they not sign a certificate.

Did you report to the President of the United States, or to the ment, or to any department of it, the fact that this man refused ?—A. I did not.

How soon after you paid this man did you report the fact to your rs in the government of this road?—A. I cannot say.

About how long?—A. I cannot say; I have no idea.

Did you do it within a month?—A. I think probably.

Did you make an entry of it in any book; and, if so, what account charged to?—A. The voucher was made in favor of the cashier t amount of money. I think it was charged on to construction,

but I cannot say. I told the cashier to arrange the matter with the bank, and I gave him a voucher for the money.

Q. In squaring your accounts as an officer of the road, this element of your transaction had to appear somewhere in the account in order to make your accounts square?—A. Yes.

Q. And it was set down to the score of contingencies?—A. That would be naturally the account to which it would be charged. I cannot say.

By the CHAIRMAN:

Q. Look at this entry on the ledger.—A. (After examining it.) That would not show the transaction. It is in the cashier's book, or the directors' book at Omaha.

Q. You say that from May, 1867, to July, 1869, you were general superintendent?—A. Yes.

Q. What were your duties as general superintendent?—A. Acting for the company in operating the road.

Q. Did your duties include looking after construction?—A. Not directly.

Q. Did you have anything to do with superintending the construction of the road?—A. No, sir.

Q. Were you very often on the road between these two dates?—A. Yes, sir.

Q. How frequently?—A. I was on the line more than half of the time, I should say.

Q. Were you very much along the line of the road where the work was going on?—A. Yes.

Q. Have you had any experience in railroad construction as a superintendent of construction?—A. Not previous to that.

Q. Are you able to state to the committee what it cost to build that road?—A. I have no idea.

By Mr. SWANN:

Q. After this transaction became known to the directors of the road of your having paid this large fee to this Government commissioner, was there any formal objection to it, or any protest against what you had done, as having exceeded your authority?—A. I think there was.

Q. How does that protest appear; was there any note of it made on the books?—A. Not to my knowledge.

Q. So they permitted you to carry that fee of blood to the construction account, and nothing was put on the record showing disapprobation of your course?—A. I was in Omaha and the directors were in Boston, and I cannot say what they have on the minutes.

Q. Of course the transaction must have been known to them all?—A. I judge so.

Q. And still there was no protest, and no objection to your action?—A. Some months afterward I received a letter from Mr. Oakes Ames protesting against it.

Q. What did he say in that letter—that he was representing himself or the board; did he represent to you that the matter had been brought to the notice of the board, and that the company had disapproved of it?—A. I think not. I think he wrote himself, as president of the company, without stating anything in reference to the board. He might have mentioned the board of directors.

Q. So that you considered them as recognizing the principle that you had a right to pay this money for such services, and that there was no power to interfere with you?—A. No, sir; I did not think so.

nd the whole transaction was tacitly acquiesced in by the board?—
transaction was past before the board knew anything about it.
t after the board did know something about it, there was no
of any sort, no formal objection, and nothing of that sort was
on the minutes of the company?—A. Not officially, to my
dge.
nd you considered that as a tacit acquiescence in what you had
—A. No, sir; not necessarily.
hat was the fair inference, if they did not object?—A. It was too
object.
want to know their opinion of the transaction, whether or not
nsidered it a legitimate one?—A. They did not consider it legiti-
at the company should be obliged to pay that amount of money
to get what was its due. I suppose they appreciated my posi-
hile thinking perhaps that I had done wrong.
What sort of appreciation of your position had they; was it that
the right to take the funds of the company and pay this cor-
fee; is that the position they appreciated?—A. They appreciated
that the company was entitled to consideration.
What sort of consideration—that you were permitted to put your
nto the treasury and spend $25,000 to bribe a commissioner; do
nk they appreciated your position in that respect?—A. I do not
nat they put it on that ground.
here is no other ground that I am aware of on which they could
oked at that transaction. So that it was a tacit acquiescence on
t of the board in what you had done. There was no protest
it, and nothing on the books to show that they disapproved of
urse.—A. Not to my knowledge.

by the CHAIRMAN:

When you settled your accounts with the company, were you al-
his $25,000?—A. I never had any formal settlement of my ac-
with the company.
ave they ever presented any claim against you for the $25,000
d by you?—A. Never; nor for 25 cents for any other purpose.

WASHINGTON, D. C., *February* 1, 1873.

LES C. VAN ZANDT sworn and examined.

by the CHAIRMAN:

ion. Where do you reside?—Answer. Newport, Rhode Island.
ere you at any time an officer of the Union Pacific Railroad
y?—A. I never was.
ave you had any connection with that company?—A. I was
for it in some suits pending in the State courts in Rhode Island
ears 1868 and 1869.
d you had any employment from that company prior to that
A. Never.
ere you in the city of Washington in the spring and summer of
ien legislation was pending before Congress with reference to
on Pacific Railroad Company?—A. I very likely may have been
those times, but not in connection with that legislation.
ave you any knowledge or information as to any expenditures of

money by the Union Pacific Railroad Company with reference to influencing that legislation?—A. No personal, definite knowledge.

Q. What knowledge or information have you with reference to the matter?—A. I may have heard, during the time I was acting as counsel for these gentlemen, some loose conversation with reference to it, which left a very uncertain impression on my mind.

Q. To what gentlemen do you refer?—A. It is impossible for me to state. It was a matter entirely outside of my professional employment. I was thrown in constantly with those gentlemen in the progress of these suits in 1868 and 1869, and perhaps 1870.

Q. Give us the best impression you have as to the gentlemen with whom you were thus thrown in contact, and with whom you had conversations.—A. To arrive at that, I shall have to narrate one feature of the case in which I was retained. There were bills in equity filed, in Rhode Island, by Mr. R. G. Hazard, and several other parties, against Mr. T. C. Durant, the Union Pacific Railroad Company, and the Credit Mobilier of America. These bills, among other allegements, stated that considerable sums of money had been expended by Mr. Durant and Mr. Hazard, and the parties associated with him, (Mr. Roland G. Hazard was really the moving party,) alleged that they had repeatedly requested the corporations to recover this money—to demand a recovery from Mr. Durant; but that the corporations having declined to do so, they filed their bills, making them parties with Mr. Durant. Mr. Durant, in answering these suits, retained me, and I was subsequently retained by the Union Pacific Railroad Company, and by the Credit Mobilier of America. These suits were pending for some time in Rhode Island, and during that time I heard the matter discussed, more or less, among those gentlemen. Mr. Durant utterly denied that any such expenditure had been made. He denied it in his answer, and stated, further, that whatever money he had expended for the Union Pacific Railroad Company had been subsequently passed upon by duly-appointed committees of the two corporations, and that the accounts had been audited and settled. That was a portion of his defense. That seemed to be agreed to by those gentlemen. The bills were never pressed to an ultimate hearing. They were pending for a long time, and are, in fact, still pending in Rhode Island, but there is no probability of a hearing. The officers of the Union Pacific Railroad Company, when the suits were first commenced, retained Mr. Thomas A. Jenckes and myself; or rather I retained Mr. Jenckes, at their request, to act for them. Subsequently, they receded from their action, and disavowed the fact that they had retained us. After that they took the first ground again that we were their counsel; and then again they receded from that position. During the course of these proceedings I heard a good deal of conversation, but really I am unable to state definitely what it was. I was thrown in with Mr. Oliver Ames, Mr. Oakes Ames, Mr. Duff, Mr. Dillon, and Mr. Alley. I do not know that I ever heard anything stated definitely enough that I can repeat it. Some of these gentlemen were in the habit of talking pretty loosely. Mr. Durant invariably stated to me that there was no such money expended, and he so set up in his answer. I do not recollect Mr. Dillon's ever making any remark in relation to it, and I cannot say what the other gentlemen did.

Q. Was the matter out of which this litigation grew what they called a suspense-account?—A. Yes, sir; it was really that matter.

Q. Do you recollect the amount of it?—A. Not definitely; I should say very nearly $200,000.

Q. Was it not between $400,000 and $500,000?—A. I do not think it

so much as that. The entire amount claimed of Durant in the bill more than that, but I do not think that the suspense-account was much as that, although I may be under misapprehension.

Q. Was it claimed by any of those parties that any portion of this had been expended for the purpose of procuring that legislation for corruption purposes?—A. I do not think I heard that stated ditely, and I scarcely think it proper that I should state a mere impression of my own, which is very vague.

Q. I simply desire you to give your best impression.—A. My own pression was very decided that there had been a good deal of mis-agement of the whole matter. The inconsistent manner in which treated their counsel, assuming one position one day and another assuming another position, gave me that impression. I did not any of the gentlemen say that there had been any bribery.

Q. What did those gentlemen who were opposing Dr. Durant in this claim had been done with this money?—A. The parties were ious that these suits should be carried into the Federal court, and Jenckes and myself moved for their removal, under instructions the corporations and Mr. Durant. It was necessary to obtain some men, some sureties in Rhode Island, and these gentlemen pro-ed to be executed to me, individually, a bond for quite a large —larger than was necessary. I procured the necessary security, ming responsible for it myself, and holding this bond as collateral rity. Mr. Durant recognized that I was their counsel. The other assumed that I was not, and ignored the fact that they had ever a bond. That was comparatively a few months afterward. I do recollect the amount of the bond, but it was larger than was neces-. My impression is that it was $50,000 or $100,000.

Q. Have you any impression now as to what it was that these gentle-were claiming that Dr. Durant had used the money for?—A. There a number of complaints in the bill. Mr. Roland G. Hazard was the moving party. Mr. Isaac Hazard, his brother, was associated him, and quite a number of ladies. There were difficulties be-Mr. Durant and Mr. Hazard, growing out of matters with which not cognizant. Mr. Hazard claimed that Mr. Durant had appro-a large amount from the company, including this suspense-ac-, and had never properly accounted for it. The officers and di-of the two corporations agreed with Mr. Durant at that time the suspense-account had been audited, investigated, and settled. pose that there were vouchers, and that that was a finality, and the account was no longer open. Mr. Durant assured me that no tion of that money had been applied illegitimately. Mr. Hazard did allege in his bill that it had been. He merely alleged that it had appropriated by Mr. Durant for his own purposes, and that noth-of it had been expended at all. There was no allegement in the that there had been any corruption. There was a vast amount of nation and recrimination constantly going on among these parties. were friendly one week and quarreling the next. They would on one statement one day, and would disagree the next. I do not to include the whole of them. Mr. Durant's course throughout whole matter seemed to me consistent and proper. He staid in one tion. Sometimes they would agree with him, and back him up, sometimes they would disagree with him, and assail him.

Q. Did they give you any information as to the manner in which had audited and settled this suspense-account?—A. They said was a committee appointed by the board of directors.

Q. Did they give you any details as to the manner in which the mittee had audited and disposed of that account?—A. Not t knowledge—merely that such committee had been appointed, an the account had been duly audited and settled.

Q. Have you any information in reference to this matter other you have already given to the committee?—A. Not any that I would be of any value. The general impression made on my m pretty well formed, but specifically I can scarcely speak.

By Mr. SHELLABARGER:

Q. Can you give us the substance of the declarations of the offi this company, or of any one of them, as to whether any of this called the suspense-account was used in procuring favorable legi in Congress?—A. No, sir; I cannot.

WASHINGTON, D. C., *February* 1, 1

JOHN DUFF sworn and examined.

By the CHAIRMAN:

Question. Have you been connected with the Union Pacific R Company at any time?—Answer. I have been connected with 1866, as a director.

Q. When did you become a stockholder?—A. In 1866, I think

Q. About the time that you were elected director, did you b come a stockholder?—A. Yes; I think so.

Q. Have you had any other official connection with the Union Railroad Company but as director?—A. As vice-president.

Q. When did you become vice-president?—A. In the spring o

Q. And continued how long?—A. I am vice-president still.

Q. Have you been at any time connected with the corporation as the Credit Mobilier of America?—A. I subscribed for stock i the time it was re-organized.

Q. Did you hold any official position in that corporation?—A. not.

Q. Do you still hold your stock in the Credit Mobilier?—A. N

Q. How long is it since you disposed of it?—A. Three or fou ago.

Q. Did you dispose of it before or after the dividends were m the Credit Mobilier?—A. I think there were two dividends made I disposed of it.

Q. Did you dispose of it before any dividends were made by t tees under the Oakes Ames contract?—A. I did.

Q. Did you receive any dividends from the trustees under the Ames contract or the Davis contract?—A. No, sir.

Q. How many dividends did you receive as a shareholder Credit Mobilier?—A. I think it was two.

Q. Do you recollect the percentage of those dividends?—A. I there were two 6 per cent. dividends in stock of the Union Pacif road, at 30 per cent. on its par value.

Q. What else did you receive beside those dividends?—A. I received bonds as a bonus at the time of the increase of the stock of the Credit Mobilier. I cannot say whether we recei stock or the dividends as a bonus.

Q. How much stock did you hold in the Credit Mobilier?—A. een hundred shares, I think.

Q. Of $100 par value each?—A. Yes.

Q. And if you received bonds, then for every $1,000 on the increased stock that you took, you got a $1,000 bond?—A. I either got the bond or the railroad stock, but I do not recollect on what basis. If we subscribed for bonds, we got the stock as a bonus.

Q. When the stock of the Credit Mobilier was increased did you take your proportion of the increased stock?—A. Yes, sir.

Q. And received whatever accompanied that stock?—A. Yes.

Q. Do you know anything in relation to an item of $126,000 paid out on the 9th of March, 1871?—A. Nothing but what I have heard since this investigation commenced.

Q. Were you on any committee to investigate that matter?—A. I was appointed on the committee, but I declined to serve, and did not serve.

Q. Were you present at a meeting of the board of directors on the 8th and 9th of March, 1871, when action was had by the board with reference to this $126,000?—A. I do not recollect any action being taken by the board about it, but I was informed that I had been appointed upon a committee to adjust and settle.

Q. When were you informed of that?—A. Probably I was not in the room when the board passed the order appointing the committee, but shortly afterward the president of the company and General Dodge and Mr. Bushnell came into my office, just across the hall, and said I was appointed on the committee.

Q. You were there in the building at the time the meeting was held?—A. Yes.

Q. To what office do you refer that they came to?—A. It was a part of the office of the Union Pacific Railroad Company, the land-office—the office that I occupied there.

Q. And you were there in the capacity of an officer and director of the Union Pacific Railroad Company?—A. Yes, sir.

Q. Were you informed of your appointment on that committee?—A. Yes; the committee came into my office, and informed me that I was appointed on the committee.

Q. Had you been in the city of Washington shortly prior to that time?—A. Yes.

Q. What was your business here?—A. I came here to see what Congress was going to do in reference to this order of Mr. Boutwell's.

Q. Was your business here to aid in getting congressional action that should operate as a reversal of the action of Mr. Boutwell in connection with withholding the amounts due for Government transportation to pay interest?—A. I came here on the invitation of Mr. Ames by letter. He said that I had got to come on here. I came here on the 2d or 3d of March.

Q. For what purpose?—A. To see whether we could do anything in relation to it.

Q. Did you take any steps of any kind to influence the passage of the act of March 3, 1871?—A. No, sir.

Q. When you were notified of your appointment on this committee to audit or examine this account of $126,000, you say you declined to serve on the committee?—A. Yes, sir.

Q. Why did you decline to serve?—A. Because I knew nothing about it. I was not aware, until the committee was appointed, that there had been such an expenditure. I knew nothing about it, and refused to act.

Q. If you had served on the committee you might have found out something about it?—A. Yes, sir; that is very true.

Q. Why, then, should you decline to make use of the means to f out something about this item of $126,000, which was to be passed u by the committee?—A. I was not aware of any sum, or what the fo shape, or fashion of it was.

Q. What were you informed that you were appointed on the c mittee to do?—A. To adjust legal expenses at Washington. I th that was it.

Q. What legal expenses had you in Washington?—A. I did not kn of any.

Q. You had been here as one of the officers of the company?— Yes.

Q. Were you advised of the employment of any attorney here?— No, sir.

Q. Do you know of any counsel of the Union Pacific Railroad Co pany having been here with reference to any special matters relat to the company?—A. I do not think we had any here; not to my kno edge.

Q. Then the calling on you to act on a committee to adjust legal penses at Washington was something that was a little unusual, wa not?—A. I am often called to serve on committees.

Q. Are you often called to serve on committees to adjust legal penses?—A. No, sir.

Q. Then this was an exceptional case?—A. Yes; I think it was.

Q. The adjustment of accounts involving the expenditure of moneys of the company was a matter, I presume, of some consequ to the company, in your estimation as an officer?—A. Yes, sir; course.

Q. Then why should you decline to act on the committee which wa give you information with reference to the adjustment of an unu account?—A. As I said before, I knew nothing about it. The presi of the company and General Dodge, and, I think, one or two others, h been in Washington for several months, and must have known all ab it, while I did not. I knew nothing about the circumstances.

Q. Did you not feel it your duty, as an officer of the company, hav been appointed on that committee, to look after the pecuniary inter of the company and the expenditure of its moneys, and especially wh those moneys had been expended in an unusual way?—A. I beg y pardon. I do not think that I said that. I do not know that they w spent in an unusual way.

Q. You say that this was not an ordinary expenditure?—A. Yes.

Q. Well, here was an extraordinary expenditure?—A. I hardly th I even said that.

Q. What would you call it?—A. Your question, I think, was whet I had been in the habit of serving on committees of that character legal expenses, and I said I had not been. I do not know that there was another committee appointed for that purpose.

Q. Then this was unusual?—A. I would not say that. I do not kn for I have been often absent from the meetings of the board. It unusual as far as my knowledge extended.

Q. Can you give the committee any reason why you declined to act that committee, and thereby to inform yourself as to the character of account, which was, as you say, unusual in its character?—A. I did say that the account was unusual, but that a committee for that pu pose was unusual.

Q. What reason had you for declining to act with that committ and thus to inform yourself with reference to that account?—A. A

...fore, because I did not know anything about it; and because the ...members of that committee had all been at Washington, I think.

Q. By acting with that committee you might have informed yourself ...it?—A. Yes.

Q. But you did not do so?—A. I did not.

Q. Is it or is it not a fact that you were apprehensive that you might ...some discoveries there that might be unpleasant in their charac...—A. No, sir; I had no such apprehension or thought about it; I ...reason to apprehend that there was any such thing in it.

The CHAIRMAN. The committee desires to give you, you having been ...of the officers of the company when $126,000 was paid and charged ...legal expenses, the fullest opportunity to explain anything that ...know, or to give any information of which you may be in posses... relative to this expenditure.

The WITNESS. I know nothing about it excepting the fact that I said ..., that there was that amount of money expended, and that I heard ...this investigation commenced.

By Mr. HOAR:

Q. You were asked why you did not act on that committee, and you ...ered that you knew nothing about the transaction. I should like ...ask you, if in making that answer to that question you think you ...answered the whole truth according to your oath.—A. I do.

Q. How long were you here in Washington at the time of the passage ...that legislation?—A. A day or two.

Q. When did you come here?—A. I left Washington on the 4th of ...; I came here a day or two before.

Q. At whose request did you come?—A. At the request of Mr. Oliver ..., the president of the company.

Q. Was that request verbal, or in writing, or by telegraph?—A. I for...; I think it was verbal.

Q. What reason did he assign for your coming?—A. To see what was ...on here. I asked him what was doing, and he said I had better go ...

Q. Did you not know that you could learn of the action of Congress ...the papers in Boston, publishing three or four editions a day, as ...ly as if you were here?—A. No, sir, I did not think I could.

Q. And you made that journey for no other purpose than to see what ...was going to do?—A. Yes, sir, for no other purpose.

Q. How did you expect to find out what Congress was going to do be...it did it?—A. Because there were a good many of our large stock...here, and they would probably know.

Q. Why were you so anxious to know as that you took that journey ...ays early in March?—A. Congress adjourned early in March, and ...was why I came early in March.

Q. I ask you why you were so anxious to know that you made that ... from Boston to Washington early in March?—A. I have told ... my purpose was to know what Congress was doing.

Q. Could you not have learned by having some of those gentlemen ...graph to you as soon as anything happened?—A. I do not know ... I could have or not.

Q. And you think you have answered the whole truth to that ques... according to your oath?—A. I do.

Q. From whom did you inquire what Congress was going to do when ...got here?—A. From a good many.

Q. From whom?—A. Mr. Robbins, one of the directors, was the [illegible] I met, I think.

Q. Who else?—A. General Dodge.

Q. What did he tell you that Congress was going to do?—A. [illegible] thought that the thing would be right; that the Government [illegible] tation would be paid as usual.

Q. Did he tell you the reasons why he thought so?—A. No, I [illegible] not recollect that he did; I think he said that it would be all right.

Q. What did Mr. Robbins say?—A. About the same.

Q. Whom else did you see?—A. I think I saw the president of [illegible] company, Thomas A. Scott, and he told me the same when I asked him.

Q. Is that all you got from Mr. Scott?—A. That is all. My conversation was very brief.

Q. Did you have conversation with any other person?—A. I [illegible] perhaps with twenty. I saw Mr. Bushnell.

Q. What did he tell you?—A. About the same.

Q. Anybody else?—A. I met some of the Central Pacific Railroad people.

Q. Who are the persons whom you met from the Central Pacific Railroad Company?—A. I think I met General Fanshaw.

Q. Did you charge your expenses here to the company, or did you pay them out of your private pocket?—A. I paid them out of my private pocket.

Q. You never were re-imbursed?—A. No, sir.

Q. Did you pay out any sum to any person for information while you were here?—A. No, sir, not a dollar.

Q. You traveled from Boston to Washington early in March; [illegible] here two or three days; met sundry gentlemen connected with the two railroads; asked what Congress was going to do; was told that it was all right, and went home again?—A. Yes, I went home after Congress adjourned.

Q. And you say that your sole object in coming here was to put the question?—A. No, not to put that question, but to see what was going on.

Q. Did you do anything to help it going on?—A. No, sir, I did not try to.

Q. You came on to see fair play?—A. No, sir; I could not see it probably, if I did.

Q. Were you consulted by any of the other officers of the road as to the proper measures to be taken?—A. No, sir.

Q. Did you hold any office at that time, except as director?—A. I was vice-president.

Q. What were the duties of vice-president?—A. They are not defined except to act in the absence of the president.

Q. What duties did the vice-president actually perform at that time?—A. Any of the executive duties in the absence of the president.

Q. Having a general oversight and superintendence of the affairs of the road?—A. No, sir. In the absence of the president, the vice-president can act in his place, or the board of directors can assign him certain duties.

Q. Has not that always been the custom in that company for the vice-president to aid the president in the performance of his general duties?—A. Yes, when he is required to do so; but not by the charter or the by-laws.

Q. I am asking what has been the habit in point of fact. When Mr. Durant was vice-president under General Dix's presidency, did he [illegible]

a large part of the duties in supervising the road and in general
—A. Yes.
being vice-president of the company and a director, were
on a committee to audit a bill of $126,000 for special legal
?—A. I did not know anything about the amount of it.
you were appointed on a committee to audit a bill for legal
in Washington?—A. Yes; I understood that the expenses
Washington.
your only reason for declining to perform the duty with which
charged by the board of directors, as a member of that com-
was, that you did not know anything of what the expenses were
Yes, sir.
is your answer?—A. That is my answer.

Mr. SHELLABARGER:

I understood you to say that your reason for declining to go on
committee was, that you knew nothing about the subject-matter of
inquiry—that you knew nothing about the thing which the commit-
was expected to inquire into?—A. I suppose it was the subject
ed in the resolution.
What was your reason for declining to serve on that committee?—
I have given it.
How have you given it?—A. That I knew nothing about it.
About what?—A. About the legal expenses at Washington.
Is it the practice of the officers of the Union Pacific Railroad
to decline to go on committees merely because they personally
nothing about the subject, and that they only act when they them-
know about the subject-matter to be investigated?—A. I do not
what is the practice of others; it has been my practice very often,
I know that it has been the practice of a good many directors, when
, to decline and not act.
Is that not rather a reason why your board should have commit-
why you should go upon them; is not the fact that you know
about the matter rather a reason that it should be investi-
?—A. Not to my mind. In this case, knowing that the gentle-
who were appointed on that committee had been all here, I knew
they were the proper persons to attend to it.
Was there anything to prevent your finding out all about it at
by resorting to the source of information?—A. No, sir; I
have gone on the committee, and found out all about it, I suppose.
You were here at Washington during part, at least, of the time of
expenditures?—A. I do not know anything about when they were
.
I understood your answer to be that, when you were notified that
was appointed on the committee, you understood that that com-
was to investigate legal expenses that had been incurred at
ington?—A. Yes, sir.
You had been at Washington during, at least, a part of the time of
legal expenditures?—A. I do not know when they were expended
. I do not know whether they were expended during the two or
years that I was here, or months before, or years before.
Did I not understand you to say to the chairman that you knew
legal expenses incurred here at that time, and that you did not
know were any lawyers employed here?—A. I did not know of
, but I did not know of any lawyers being employed here. I have
knowledge of it, and I do not think I ever heard of any.

Q. You have given the names of a large number of gentlemen who were here, connected with that affair, and whom you inquired of.—A. I do not know that they were connected with the matter; they were gentlemen whom I inquired of.

Q. Were not these the gentlemen who were prominently interested and active in the matter at that time?—A. I supposed they were.

Q. Were your conversations with them frequent during the time you were here?—A. No, sir.

Q. Do you think that they might have employed lawyers who rendered important services, amounting to $126,000, and that you would not have heard anything about it, while you were here with them?—A. I did not hear anything about it.

Q. Is it likely that you would have heard about it if there had been such employment as that, doing such a large amount of business?—A. I think it is likely that I should not have heard of it.

Q. Why should you not have heard of it?—A. In the first place, I should not want to have heard of it, and I did not inquire. I supposed the thing was all done when I came here.

Q. Was there anybody here whose duty it was more than yours to know about an employment so important as that?—A. Yes, sir.

Q. Who?—A. The president of the road, the executive officer.

Q. You were the vice-president, however, at that time?—A. Yes, I think so.

Q. And you think it likely that they would not have let you know about it, had that thing occurred?—A. No, sir; I do not think they would. I made no inquiries at all upon the subject, except to ask how they were getting along, and they said that it was all right. I was here a very short time when the bill passed.

By Mr. SLOCUM:

Q. What is your position in the company now?—A. I am vice-president.

Q. Do you know how the stock of the company is held now; about how much of it is held abroad?—A. The transfer agents, Morton & Bliss, told me a few days ago that there was about 40,000 shares of the stock held in Germany and on the continent.

Q. When did that stock go over there?—A. It has been going over there for the last two years. A good deal has gone lately, and a good deal went about two years ago.

Q. What is your opinion as to the amount of Union Pacific Railroad stock changing hands from day to day?—A. It is very large indeed. I saw a statement in the papers, taken from the reports of the boards of brokers, that the stock had changed hands fifteen times over within the past year; that fifteen times the amount of the capital stock had been sold.

Q. Can you state how much of the bonds of the company is held abroad?—A. No, I cannot; it is a large amount, however.

Q. What classes of bonds are held abroad?—A. The first-mortgage bonds and the land-grant bonds.

By the CHAIRMAN:

Q. You say that you were requested by Mr. Oliver Ames to come to Washington?—A. Yes, sir.

Q. To see what was going on here?—A. Yes, sir.

Q. The Secretary of the Treasury had already taken his action with reference to withholding the transportation-money?—A. Yes, sir.

Q. You were not apprehensive, then, that Congress would pass any legislation unfriendly to you in that behalf?—A. No, sir; I understood that it was going to be friendly.

Q. Your purpose was to secure friendly legislation?—A. No; I was pretty well satisfied that the thing was accomplished a day or two before the third of March. I did not come here with any such expectation at all.

Q. You were not here for the purpose of preventing Congress from legislating against your company?—A. I had no purpose of the kind.

Q. The company was seeking for legislation to set aside what the Secretary of the Treasury had done?—A. I suppose so.

Q. So that the initiative in reference to that legislation which you were here looking after was by the company, and in the interest of the company?—A. Yes, sir.

Q. Did you ever hear anything about what has been spoken of here as the suspense-account?—A. Yes, sir.

Q. What position did you occupy at that time in the company?—A. I think that that was long before I had any official connection with the company.

Q. You mean to say that the expenditure was before that time?—A. Yes, sir.

Q. Were you here in 1864, when the legislation in reference to the Union Pacific Railroad Company was pending before Congress?—A. I think not.

Q. Were you on any committee subsequently, to investigate that suspense account?—A. No, sir.

Q. Had you ever connection with it in any way?—A. None at all.

Q. You know nothing about it?—A. I know nothing about it except the reports made by the different committees appointed.

Q. Did you attend the meetings of the board of directors generally?—A. Generally.

Q. I show you a record of the meeting of 11th September, 1868; were you at that meeting?—A. (After examining the record.) I suppose so, from this record. The record states so, and I suppose it is correct.

Q. I call your attention also to the record of 4th January, 1867. State whether you were present at that meeting.—A. (After examining the record.) Very likely; the record shows it. I have some doubts, however, about the other one.

Q. Read the resolution offered by Mr. Lambard at the meeting of January 4, 1867.—A. (Reading.) "Mr. Lambard offered the following resolution, which was adopted: Resolved, That Mr. Oliver Ames, president pro tem, and J. J. Cisco, treasurer, be a committee to inform themselves with reference to the details of the so-called suspense-account of this company; also to audit any further claims on this account, and that their report to this board that the facts in the premises are satisfactory to them, shall end all further discussion, and that the account shall be closed and charged to construction."

Q. Now, I call your attention again to the meeting of 11th September, 1868, at which you say the record shows that you were present. I ask you whether you recollect that suspense-account being under consideration by the board?—A. I do not. I have no recollection of it at all. I have a recollection of that resolution being passed.

Q. Have you no recollection whatever of that suspense account?—A. None; I never saw it until I saw it here the other day.

Q. Then you can give the committee no information in regard to the

matter, or on what account those items of the suspense-account were used?—A. No, sir.

Q. Has this matter never been the subject of inquiry or controversy in the board of directors since you have been a member?—A. Except that it has been talked about by the directors, and except that action of Mr. Lambard's referring it to the president *pro tem.* and Mr. Clark.

Q. You never made an inquiry into it yourself, and you can give the committee no information in reference to the purpose for which the sum of money was expended?—A. No, sir; all these are charges before I had any connection with the road. I was elected director in October, 1866, and this account ends in March, 1866.

The CHAIRMAN. There is evidence before the committee which seems to make it necessary that explanations shall be given of this suspense account, and the committee desires to afford you and all other gentlemen who have been connected with the management of this road at any time the fullest opportunity to give an explanation of the manner in which this money has been expended. That is the reason why I put these questions to you; and I now give you the opportunity to make any explanation that you may deem it your duty to give.

The WITNESS. I told you that I know nothing about it. That expense was incurred long before I had any connection with the road.

Q. Were you at any time one of the trustees under what is known as the Oakes Ames contract?—A. I was.

Q. Were you one of the original seven?—A. No, sir.

Q. Whose place did you take?—A. Mr. Alley's.

Q. At what time did you become a trustee?—A. I cannot give you the date.

Q. I should like you to give it as near as possible.—A. I cannot give you the date.

Q. Were you a trustee before or after the dividends were declared under the Oakes Ames contract to the shareholders of the Credit Mobilier?—A. It was after.

Q. Ever before?—A. No, sir.

Q. The Oakes Ames contract was made in August, 1867, and assigned to the trustees in October, 1867. I call your attention to the record of the board of trustees of 3d July, 1868, and ask you to state whether you were then a member of the board, and whether you were present at that meeting.—A. (After examining the record.) Yes; the record shows it.

Q. Fix the date of your appointment from the record.—A. (After examining the record.) Mr. Alley resigned 11th March, 1868, and on the day I was appointed, as appears by the record.

Q. Were you present at the meeting of the board of trustees in March, 1868?—A. (After referring to the record.) It seems so.

Q. Read the resolution offered by Mr. Bushnell on that date.—(Reading.) "Mr. Bushnell offered a resolution that Mr. Ames vote the stock in the Union Pacific Railroad Company for which the trustees hold the proxies for the adoption of the by-laws, as reported by the committee appointed for draughting the same."

Q. Were you present at the meeting of the board on the 4th January, 1868?—A. (After examining the record.) Yes, the record shows that I was there.

Q. Read the resolution offered by Mr. Durant at that meeting.—(Reading.) "Mr. Durant offered resolution that the treasurer be authorized to loan the funds of the trustees, not required for immediate use, to the Union Pacific Railroad Company, payable on demand, with

collateral security therefor as first-mortage bonds and Gov-
bonds at the market rates."

Was that resolution adopted?—A. It appears so by the record.
"carried."

Were you present at the meeting June 17, 1868?—A. (After
the record.) It seems so by the record.

the resolution offered by Mr. Durant on that occasion.—A.
.) "Mr. Durant offered resolution that the treasurer, Mr. B.
be instructed to subscribe fifteen hundred thousand dollars to
of the Union Pacific Railroad Company at par, and make
thereon. Carried unanimously."

the next resolution that was offered and adopted at that
—A. (Reading.) "Mr. Bates offered resolution that, in accord-
with the provisions of the trust, a dividend of 60 per cent. in cash
per cent. in stock of the Union Pacific Railroad Company be paid
holders of the stock of the Credit Mobilier of America who have
with the requirements of the trust, payable on and after this
Yea and nay vote taken, and carried unanimously."

Then, after you became a trustee, there were dividends made by
board of trustees to the shareholders in the Credit Mobilier?—A.
sir.

Were you present at the meeting of July 2, 1868?—A. (After ex-
the record.) Yes, sir.

Read the resolution offered by Mr. Bushnell at that meeting.—A.
.) "Mr. Bushnell offered resolution that the treasurer make de-
on the Credit Mobilier of America for an advance of two millions,
agreement of October 15, 1867. Carried."

Were you present at the meeting held in New York July 3, 1868?—
(After examining the record.) Yes, sir.

Read the resolution offered by Mr. Bushnell on that occasion.—A.
.) "Mr. Bushnell offered resolution that the treasurer be
and directed to subscribe for $2,500,000 of stock of the Union
Railroad Company, and make payment therefor. Carried
ously."

Read the next resolution.—A. (Reading.) "Mr. Bushnell offered
that the treasurer be authorized and directed to purchase
first-mortgage bonds of the Union Pacific Railroad Company,
Yea and nay vote called; carried unanimously."

Were you present at the meeting July 8, 1868?—A. (After ex-
the record.) I appear to have been by the record.

Read resolution offered by Mr. Bushnell on that occasion.—A.
.) "Mr. Bushnell offered resolution that the treasurer be
to sell 28,125 shares of Union Pacific Railroad stock at not
than 40 per cent., first offering it to the parties interested in con-
by the road."

Read the next resolution of the same date.—A. (Reading.) "Mr.
offered resolution that we make an allotment of 20 per cent., in
to the parties interested in the trust, payable as fast as the trustees
the profits on the sale of stock of the Union Pacific Railroad
. Carried."

Read the next resolution.—A. (Reading.) "Mr. Bushnell offered
that the treasurer be directed and authorized to subscribe
shares of stock of the Union Pacific Railroad Company, and
therefor. Yea and nay vote called; carried."

By some of those resolutions to which I have called your atten-
the treasurer was authorized to subscribe for a large amount of

stock of the Union Pacific Railroad at par, and to make payments thereon. In what way was the subscription made, and in what way was it paid for? Just describe how the thing was done.—A. It was paid by moneys due from the Union Pacific Railroad Company for building the road. It was paid by their check, probably.

Q. Do you mean to say that it was paid for in money at par, or that it was taken on account of road-building?—A. It was paid for in checks of the Union Pacific Railroad Company, received by the trustees for work done under the contract.

Q. It was just so much stock taken from the Union Pacific Railroad Company in payment for work done under the contract?—A. The stock was taken for the work done and the check was paid back for the stock.

Q. But that is just what it amounted to?—A. That is just what it amounted to.

Q. Taking payment for work in stock?—A. I have not said that. I said that the trustees got the company's check for work done under the Oakes Ames contract, and with that check of the company the trustees subscribed for stock to pay for it. That is the record, I believe.

Q. Is that the way in which the bonds were purchased, also, that are referred to in this resolution?—A. Some of them, probably.

Q. Can you tell how many of them were procured in that way?—A. I cannot.

Q. Were any bonds procured that were not procured in that way?—A. That I am not able to say; I suppose not, however.

Q. Do you know of any case in which these trustees took money and purchased bonds of the Union Pacific Railroad Company as trustees?—A. I do not recollect any. I suppose they were all purchased in the same way.

Q. Did you have any connection with the letting of the Oakes Ames contract?—A. I was at the time a director in the Union Pacific Railroad Company.

Q. What was the understanding at the time the Oakes Ames contract was let, with reference to who should execute that contract so far as the construction of the road was concerned; whether it was to be done by Oakes Ames himself, or whether it was to be assigned by him for the benefit of the shareholders of the Credit Mobilier?—A. I was opposed as a director to making the Oakes Ames contract, and I was not familiar with the general understanding at the time; but I understood that the road was to be built, as it was, by trustees. I was opposed to the contract originally, and consequently I was not in the trusteeship.

Q. Was the fact of your being opposed to it one of the reasons why you were not a trustee?—A. I think it was.

Q. What were the grounds of your opposition to the Oakes Ames contract?—A. I thought there might be a simpler and better method of doing it, and I thought that he was not the proper person to build a railroad, being a member of Congress. I opposed it to that extent that the majority would not have me in the management. There were sundry other reasons that I had.

Q. Then your attention was directed to the subject of the trustees?—A. Yes, sir.

Q. Did you make known that objection at the time?—A. I think I did.

Q. What other reasons had you?—A. There were some parties connected with it who I did not think were efficient railroad men or understood the construction of railroads.

Had you any other reason?—A. There may have been other rea-
, but I cannot recollect them now.
State who the other parties were who you thought were not good
road men.—A. Mr. Oakes Ames. At the time the contract was made
Mr. Oakes Ames, I did not know the disposition that was going to
ade of it. I understood afterward that it was to be assigned to
. Mr. Oakes Ames had no experience in building railroads.
Oliver Ames had no experience, neither had Mr. John B. Alley nor
C. Bates. I do not think Mr. Bates knew anything at all about
He told Mr. Alley that he had no experience in constructing rail-
; he was a merchant and politician.
When was it that you first got the understanding that this con-
was to be executed in the interest of the stockholders of the Credit
lier, as it was afterward executed?—A. Shortly after the contract
signed.
How long afterward?—A. A few days.
You refer to the signing of the original contract, do you?—A. Yes,

Then a few days after it was executed?—A. I understood that that
gement had been made.
Did you, a few days after this contract was executed, get an un-
nding that it had been the arrangement at the time it was exe-
that it should be performed in the manner that it subsequently
?—A. As I said before, I was opposed to it, and I was not on very
ndly relations with the people who were discussing the matter.
all favored it, I believe, but myself. I got an intimation that it
to be assigned to trustees.
Did you get the information that that was the understanding when
ontract was executed?—A. Yes, I suppose so. It would not have
made with Oakes Ames without that understanding.
At the time that contract was executed there were about 138 miles
d which had been already accepted by the Government?—A. It
stated, and I presume it was so.
Did you not at that time know the fact?—A. I knew that there
a large portion of it running, and I supposed that it was accepted
the Government.
Can you give the reason why this Oakes Ames contract was made
er the road which had already been built and accepted by the
rnment?—A. I suppose it was that the profits would make the
thing better and more desirable.
Was that a device in order to get larger profits on the whole
?—A. I suppose so.
Did the trustees get the benefit of those profits?—A. I suppose
did.
Do you know what the road that had already been accepted by the
rnment had cost the company?—A. I do not.
Did you ever hear any officer of the company state what that por-
of the road already accepted had cost the company at the time the
Ames contract was made?—A. No, sir, I do not think I did. I
since seen it stated that it cost $27,000 or $28,000 a mile.
Do you think that is about right?—A. Yes, I suppose so, if it was
.
I am speaking about the cost of the road to the Union Pacific Rail-
Company. Was that portion of the road west of the one hun-
meridian built under any contract prior to the Oakes Ames con-
?—A. There was some little of it.

Q. How much?—A. I do not recollect.

Q. Under what contract was it built?—A. I think it was built by the company.

Q. The company didn't make a contract with itself, did it?—A. No, sir, of course not; but it was an extension of some other contract. I think it was an extension of the Hoxie contract.

Q. Are you not aware of the fact that in the first place a proposition was made by Mr. Durant to Boomer, and accepted by Boomer, to build this road at $19,500 a mile for a part of it, and for $20,000 for part of it?—A. I never knew the details of that contract.

Q. Was the Hoxie contract ever extended beyond the one hundredth meridian?—A. I do not know. I think they had the right to extend it, but I do not know whether it was done or not. The record will show. I do not recollect.

Q. Was the next contract that was accepted by the Union Pacific Railroad after the Hoxie contract, the Oakes Ames contract?—A. I think it was, so far as I know.

Q. State whether the Union Pacific Railroad Company, after the road had been completed under the Hoxie contract to the one hundredth meridian, continued right along in the construction of the road without any contract other than the Boomer contract?—A. I have no recollection of seeing any report made about the Boomer contract.

Q. How was the road constructed west of the one hundredth meridian prior to the execution of the Oakes Ames contract?—A. I was under the impression that it was done by the Union Pacific Railroad Company.

Q. At the time the Oakes Ames contract was let, had the Union Pacific Railroad Company informed itself, or had those who were managing its affairs informed themselves, as to how much that work had cost the company at the time?—A. I suppose so. Of course they had their estimates.

Q. Can you tell where those estimates can be found?—A. In the office at Boston, I suppose.

Q. Do you know whether those estimates were made with reference to a particular contract-price, or whether they were estimates made as to the actual cost of the work?—A. I suppose they were made as to the actual cost of the work to the company.

Q. Then the company ought to be able to furnish the committee with the exact cost of that road west of the one hundredth meridian up to the time the Oakes Ames contract was made?—A. Yes, sir.

Q. Have you any recollection whether those who were managing the affairs of the company looked into the matter to ascertain the amount of that cost?—A. No, sir; I was not an officer at that time. I was in the direction, but not an officer.

Q. Do you know what it cost this board of trustees to construct the road under the Oakes Ames contract?—A. I only know what the trustees' books show.

Q. Have you ever examined those books to know what the cost to the trustees was?—A. No, sir.

Q. Have you ever had it stated to you, or had you any account or balance-sheet presented, showing the cost of construction to the board of trustees?—A. No, sir.

Q. Has the board of trustees never considered that matter?—A. They may have considered it, but I do not recollect.

Q. You are still a trustee?—A. Yes.

Q. Has the board of trustees ever at any time gone into an investigation to find out how much profit was made on the road west of the

one hundredth meridian?—A. I do not think the accounts have been closed up.

Q. What assets has this board of trustees?—A. That I am not able to answer.

Q. Have they anything excepting those they derived from the Ames contract and the Davis contract?—A. Nothing else.

Q. What they have distributed, either in money, bonds, or stock, has been derived from what source?—A. From profits on the contracts.

Q. The Oakes Ames and the Davis contracts?—A. Profits on the contracts.

Q. Had they any other contracts than those?—A. Not that I am aware of.

Q. They had no other source from which to make any dividends among the shareholders of the Credit Mobilier?—A. No, sir; not that I am aware of.

By Mr. SHLLABARGER:

Q. I find this statement made by Mr. Durant before another committee. In speaking of the risk which Mr. Oakes Ames incurred in taking the contract, he says:

"The risk would have been somewhat modified by the fact that between two and three hundred miles of this road, embraced in this contract, had been actually completed, the difference in price between the actual cost of which and the contract price amounted to upward of $1,000,000."

Now, if you have any defense or justification of the transaction desired there to make in behalf of the board of directors of the Union Pacific Railroad Company, of which you were a member, the committee will be glad to hear that explanation.—A. I was opposed originally to the contract with Oakes Ames, but the understanding was that it was necessary to include that in order to get Mr. Ames to take the balance of it. He would not take the contract unless that was included.

Q. Is there not this also to be said in justification of it, that at the time that Mr. Ames got this contract, it was understood that all the stockholders of the Credit Mobilier, which included also all the stockholders substantially in the Union Pacific Railroad Company, were to share in the profits that were to made out of that contract, and that therefore no fraud was worked by the transaction?—A. Yes, sir.

Q. That was understood at the time of the Oakes Ames contract, or about the time?—A. I think it is embodied in it.

Q. It is not embodied in the contract, but is in the assignment. Was it understood, at the time that Ames took the contract, that this division should be made to all alike?—A. Yes. I think the acceptance of the Oakes Ames contract provided that it should be so.

Q. Whether that acceptance was so written or not, do you know it to be the fact that it was so understood between you all?—A. Yes, sir; undoubtedly.

Q. By this Oakes Ames contract it is provided, among other things, that part of the pay shall be taken in stock of the Union Pacific Railroad Company; you recollect that, do you not?—A. Yes.

Q. That part which the two classes of bonds failed to pay was to be taken in stock of the Union Pacific Railroad Company at par?—A. Yes.

Q. Was the price of the letting put up on account of the kind of pay which he was thus to get?—A. Undoubtedly; I suppose it was.

Q. What was the stock estimated at in your transaction at the time;

about what did you consider it as worth in cash?—A. I did not consider that it had any market-value at all.

Q. Do you mean that it had no intrinsic value, or do you simply mean that it was not quoted in the market?—A. I mean that you could not borrow money upon it or you could not sell it.

Q. It was not considered worth anything?—A. You could not sell any considerable portion of it, except to people who would take a risk as they would at a faro-bank.

Q. So it was estimated really in the letting of this work as of no appreciable value?—A. At that time we looked forward to the time when the road would be completed, and the country settled, and when the stock would be of value.

By the CHAIRMAN:

Q. Was there no price of the stock talked about at that time?—A. I do not recollect; I had nothing to do with the details of the contract.

By Mr. HOAR:

Q. Were you an experienced person in railroad construction or management at the time you went into that direction?—A. Yes, sir.

Q. What had been your experience; was it in railroad finances, or in railroad building, or in both?—A. In both. I have been in the Hannibal and Saint Joseph Railroad Company, and got $600,000 in stock, which I offered to take 10 per cent. for rather than take the stock; so that the value of railroad stock before the road is built is not much.

Q. You, as a director and a party in interest in the Union Pacific Railroad Company, knew something, of course, of the nature of the route over which the road was to be built at the time the Oakes Ames contract was made?—A. Not fully; only as to a portion of it. I had been through the Platte Valley, and knew something of the character of the country there.

Q. You stated, in answer to Mr. Shellabarger, that the price of the work was put up on account of receiving part of the pay in stock.—A. I did not say that the price was put up, but the price was larger on that account, of course.

Q. The price of the road was greater, because the payment to the contractor was made in stock, and not in cash?—A. Yes.

Q. In your judgment, was the amount of the two classes of bonds received from the company by the contractor enough to pay a fair price for the construction of the road, without counting in the stock at all?—A. No; I think it was not.

Q. How much do you think it would fall short?—A. I cannot tell you exactly; there was no market at that time for the first-mortgage bonds. The market had to be created, and the bonds popularized.

Mr. HOAR. I am not speaking merely about their price in the market, but about their actual value.

WITNESS. The market price is the actual value. I estimate what a bond or stock is worth by what it will bring in the New York stock-market.

Mr. HOAR. I am asking about what you regard as the actual, intrinsic value of the two classes of bonds.

WITNESS. At that time I would not have considered the first-mortgage bonds worth more than 50 cents on the dollar, and the Government bonds 80 cents. I think that the Government bonds were sold at 85. I know that I bought a good many for 90, and had them a long time.

Q. Leaving out now any question of legality or illegality, or of the

propriety of the president of the road dealing with his brother in so large a transaction, but supposing that Mr. Oakes Ames had been an entire stranger to the managers of the road, and had been looking out solely for his own interests as contractor, and supposing the managers of the road had had no interest with him, and had been looking out solely for the interest of the company, and to get a contract as cheap as they could, do you think that the price agreed upon between them and Oakes Ames was a fair price, supposing the contract had been made under such circumstances?—A. Yes, sir; I do.

Q. State whether in your judgment it could or could not have been done cheaper by any other contractor, and, if prudence required it, by making up the work into sections instead of taking it in one long contract?—A. I do not believe that we could have got responsible parties to take it at that price, outside of the parties who had put their money into it.

Q. That is a point to which the committee would like you to give some careful reflection. I should, therefore, like to have you state any reasons within your knowledge bearing directly on the answer to that question. What can you tell us on that point?—A. The objections which outside parties would have had to taking the contract were the character of the country, the poor quality of most of the land, the difficulty and expense of getting lumber and materials there, the Indians, the alkali plains, and the Rocky Mountains. These were all reasons why you could not get responsible parties, except the parties who took the contract, to take it at the same pay. I know that I solicited good men, some of the first contractors of the country, men of material and means, to take the contract, and that they declined and refused to touch it at all.

Q. Were there any efforts made within your knowledge to induce contractors who had no interest in the Union Pacific Railroad Company to take that contract?—A. Yes.

Q. What efforts were made?—A. I spoke to a great many contractors. I wanted to know if they would not go out and take some contracts. They were experienced men, and men of capacity to execute contracts, and who had been engaged in building railroads, but they would not touch it at all, not one of them.

Q. Do you know all the efforts that were made, by bringing the desire of the company to obtain contractors to the attention of the public, by advertisement, or by personal application to experienced contractors, or in any other way, such as are ordinarily made by railroad companies to procure bidders for contracts?—A. I was not in the direction at the commencement, but after I became interested in the Credit Mobilier I solicited a great many men to become contractors.

Q. You were also in the direction of the Union Pacific Railroad Company as early as 1866?—A. Yes.

Q. And have continued down to the present time?—A. Yes. Your question was whether the company had taken measures to see whether the work could not be let out in small contracts. I did make several efforts in that direction. I had done a great deal of work in this country, and had had a great many sub-contractors, but I could not get one of them to go out there.

Q. What was the reason that they would not go there?—A. On account of the wild country. The cactus grew there within two hundred miles of the Missouri River. The Rocky Mountains were a barrier, and also were the Indians. The Indians scalped some of our men within a

few miles of where the work was going on. Our men had to take rifles with them when they went to work.

Q. How many men in the employment of the company were killed or wounded by the Indians?—A. I cannot tell you; there were a great many.

Q. Give us the best information you have on the subject.—A. I suppose there were several hundred. The surveying parties were escorted by United States troops. The engineer who made the surveys for two or three hundred miles on this side of Cheyenne, was scalped and murdered after he got through, and his notes taken, and we had to get up another surveying party. The two engineers Hills and Brown were both killed. We have now got conductors on the road with their scalps off.

Q. Can you give any other facts (which I should be glad to have you give with some detail) that tend to justify the opinion which you have expressed that it would have been impossible to have got from a stranger a more favorable contract for the Union Pacific Railroad Company than it had from the Credit Mobilier or from Mr. Oakes Ames?—A. There were the reasons, I believe. The country was considered by all those who had thought about it as the American desert, and the lands were considered of little value. The president of the road, Mr. Oliver Ames, went up the line two or three hundred miles with me, and said that he would not take the lands as a gift, and that if anybody would give him twenty-five cents he would move a resolution in the board of directors to reject the land; and I am sure that I would not have accepted it.

Q. One of the witnesses testified that the cost under the Oakes Ames contract to the persons who actually built the road—that six hundred and sixty-seven miles—was about $30,000,000; that the Government bonds and the first-mortgage bonds, which were actually received in payment for that construction, amounted to $30,015,000; (that including the net value of all the stock, but, of course, no profits;) and that the average time between the expenditure of money by persons who built the road for the purpose of completing it, and the re-imbursement of the money so expended by realizing the proceeds of those two classes of bonds, would be about three months. Now, can you give the committee any information that will enable the committee to determine whether that opinion was or was not correct?—A. I can only give you as a matter of opinion that it is not correct. It would take some figuring to see what the market price of the bonds was, &c. It is a question of detail.

Mr. HOAR. I will give you time. It is a pretty important question, because it would seem to follow from that answer, if it were true, that all that the company gained, and all that the directors did for which they got a return, substantially of the whole capital stock of the road, was the bridging over that average of three months' period between the time of spending this money and the time of getting it back. If you think that you can give us any facts that will enable us to determine whether that is or is not a correct statement, I shall be glad to have you consider it, and present any statement on the subject now or hereafter that occurs to you.

WITNESS. I can do that, but I will require some statistics in relation to the price of bonds, &c.

Mr. HOAR. If you do not consider that you are familiar enough with the general subject to be able to do that, I will not ask you further.

WITNESS. I am not. Another objection to getting parties to take hold of the Union Pacific Railroad, (it was so with myself and a good

many others whom I talked to,) was that the Government had five directors in the company, who had not any interest in it, except to get their traveling expenses and salary. They were not permitted by law to hold any stock. The work was subject to the approval of these commissioners, who were likely to be appointed for political considerations. And, of course, my own opinion was that they would be men not likely to know anything about the construction of railroads, and that they would harass and embarrass us a good deal.

Q. You think that the difficulty of building the road was increased by the fact that five members of the direction were to be appointed by the Government to represent its interest?—A. Yes; men having no interest in the road, except to receive their *per diem* and traveling expenses.

Q. You do not regard the obligation to perform a public duty as of any weight?—A. Not in that capacity—a director without any interest, on the reverse. That was a great objection.

Q. Perhaps, on consideration, that will occur to you as the reason why you did not serve on that special committee to examine into the item of $126,000 for special legal expenses.—A. No, sir; that was not the reason. A man might do something on that committee by which he would compromise himself, and a man can be on a committee and not compromise himself. I infer that it is your idea that I would not go on that committee because I feared there might be something in it to compromise me. I have been on a great many committees where I dissented from the majority, and I could have gone on that committee and dissented from everything it did, and therefore have no responsibility.

Q. Perhaps you are not aware that one gentleman appointed on that committee has testified that, among the reasons for his declining to serve on the committee, was that he did not want to know anything about the transaction, because he feared he might be compromised.—A. I think his fears were somewhat realized.

Q. Did you share in that apprehension at all?—A. Not at all. I could serve on that committee, or any other committee, and its acts would have involved me in no responsibility or compromised me. If there was anything I did not like, I could call the yeas and nays, and vote against it, and have it be on the record.

By the CHAIRMAN:

Q. Do you know what was paid to Davis for the assignment of his contract to the trustees?—A. I do not.

Q. Was there anything paid to him?—A. I do not know that there was. I do not think that that claim has ever been settled. I think he made a small claim for $2,000.

Q. Did he ever bring an action against the company, or against the board of trustees?—A. Yes, sir; I think that he and his associates did. Jack Sprague & Co. were his associates, I think.

Q. What was that suit for?—A. For extra work; work which he was required to do outside of his contract.

Q. Did he ever do any work under that contract himself?—A. Yes, I think he did. I think he did a very large amount of work, himself and his associates, in providing ties and timber, &c.

Q. I am speaking about the contract for the construction of the road—for building the road west of the Oakes Ames contract.—A. I am not sure about that.

Q. He did have a contract west of the Oakes Ames contract?—A. Yes.

Q. Was any consideration paid to him, or agreed to be paid to him, for that assignment?—A. I do not know whether there was an agreement, or whether he received anything. My impression is that he made a claim for $2,000.

Q. When the contract was made, he at the same time agreed to assign it to those trustees, did he not?—A. He did assign it.

Q. Did he not agree to assign it?—A. I was not present.

Q. Was not that your understanding?—A. The first that I knew anything of it, the contract was made and assigned. I met Mr. Durant in a railroad-car, several hundred miles from where he had made the contract, and he showed it to me; that is all I know about it.

Q. Do you know why it was that this particular mode was resorted to for the purpose of getting the contract into the hands of these trustees?—A. I do not know, except that the men who were on the road, and who had the balance of the work, were better calculated to finish it up.

Q. Why, then, was not the contract made directly with the trustees?—A. That I cannot tell you.

Q. Were you connected with the road at the time the difficulty occurred at New York, when the Fisk raid was made?—A. Yes.

Q. Do you know anything in regard to large amounts of subscriptions by Mr. John B. Alley to the stock of the Union Pacific Railroad Company, at that time?—A. That was prior to the raid made at the office.

Q. How long prior?—A. Some months. I was sick at home at that time—at the time of that attempted stock subscription by Alley and Fisk and Blair.

Q. Do you know the amount of stock which Alley and Fisk and Blair subscribed for at that time?—A. No, sir; nothing but what is in these pamphlets. That is all I know about it. I was not in the city at the time it was done. I was sick at the time.

By the CHAIRMAN:

Q. Do you know a tract of land known as Initial Point?—A. I know the initial point of the Union Pacific Railroad. I never knew of any other "initial point." That point was fixed as the initial point of the road by the President of the United States.

Q. Do you know who owns the land there?—A. No, sir; I do not.

Q. Where do you call the initial point?—A. Between two and three miles above the city of Omaha, at the river, on the Nebraska side.

Q. Is that where the bridge is built across the river?—A. No, sir; it is two miles below.

Q. What was the reason for putting the bridge two miles below that?—A. There was found to be less crossing, and equal accommodation, &c.

Q. Do you know of the Credit Mobilier owning any land about there?—A. No, sir.

Q. Do you know of any persons connected with the Credit Mobilier owning any land there?—A. No, sir; I do not.

Q. Is there some land there on which it has been contemplated to erect a depot, &c.?—A. Not that I am aware of, or ever heard of.

Q. Then you do not know anything about it?—A. No, sir, if you speak of the initial point of the Union Pacific Railroad.

Q. Do you know of the Credit Mobilier owning any land in that neighborhood?—A. Not in that State.

Q. Do you know of their owning any land in Iowa?—A. Yes.

Q. Where is it?—A. It is on the bottom-lands between Council Bluffs and the river.

Q. Has it been in contemplation to put the depots of the road on that side of the river?—A. Not that I am aware of—not by the Union Pacific Railroad Company. I believe that some of the people over in Council Bluffs contemplated putting it there; but the Union Pacific Railroad Company never did, that I heard of; they have no *status* there.

Q. How much land is there in a body between Council Bluffs and the river?—A. About 600 acres; and a small purchase since that, which I do not know about.

WASHINGTON, D. C., *February* 1, 1873

SIDNEY DILLON recalled and examined.

By Mr. HOAR:

Question. Please narrate as briefly as possible the transaction about these lands at Council Bluffs, as you understand it.—Answer. We bought of Edgerton a tract of land in Council Bluffs on the flats on the Iowa side, of about, I will say, a thousand acres, costing $40,000. It was about the time of the organization, or soon after the organization, of the Credit Mobilier, a year or so after. Two or three years after, we bought, I think, about 250 acres at the same place, which cost about the same amount as the first did, being in a location where we thought it would be needed for a depot or a transfer ground for the Union Pacific Railroad—provided the transfer ground should be made there. We own those lands still.

Q. Have you ever seen the report of Mr. Dodge undertaking to locate the initial point of the Union Pacific Railroad on that site of the river over those lands?—A. I do not know that I saw a report of his; but there has been a good deal of discussion about it.

Q. What discussion?—A. A part claimed that the initial point should be on the easterly side of the river, and others claimed that it was at the actual initial point; others claimed that it was at the western boundary of the State of Iowa, which was at the water-line, I suppose. Those were the points in discussion.

Q. You say you have never seen that report of Dodge?—A. I might have seen it; but I do not recollect it now. The Credit Mobilier has a few lots of ground at Columbus; but they are worth but a very small amount.

Q. What is the present property of the Credit Mobilier?—A. As near as I can understand, the books show that the present property consists (and I think Mr. Ham has testified to it) of those lands at Council Bluffs, the lands at Columbus—a small amount of lands there—and a claim, as I say, against the Union Pacific Railroad Company for about in the neighborhood of $2,000,000.

Q. How much do you value all the assets of the Credit Mobilier at to-day?—A. Well, sir, if the initial point——

Q. I do not care about going into the question as to any contingencies which would affect it in one way or another, but taking into account the actual present condition of things as you understand it, what do you value the assets of the Credit Mobilier at?—A. At the present time the lands at Council Bluffs may be worth $150,000, and the lands at Columbus, I think, would be worth $5,000. There are no other assets of any consequence amount that I can recollect now, unless the claim for $2,000,000 which I have just spoken of.

Q. What do you consider the claim for $2,000,000 against the Union

Pacific Railroad worth in fact?—A. Well, a claim against the Union Pacific Railroad Company, as long as their note has never gone to protest, must be considered good.

Q. And you think that claim of $2,000,000 against the Union Pacific Railroad is worth $2,000,000? But is not your claim more than $2,000,000—something like $2,700,000?—A. I do not think the debit and credit will show it that much. I think it will go very little over $2,000,000.

Q. Is it not a little over $2,500,000 according to the vote of the directors of the Union Pacific Railroad Company?—A. We have had something on account since that time which reduces it.

Q. What have you had on account since that last vote fixing it at $2,500,000?—A. I can't say; but we have had something on account. Mr. Ham was the book-keeper, and he stated about that here the other day.

Q. Then in round numbers you think the property of the Credit Mobilier is somewhere in the neighborhood of $2,200,000 in actual value?—A. Yes, sir; if that note or claim which I speak of is collected—if it is worth that.

Q. Why don't you collect it?—A. Well, the reason that I did not try to collect it was the inability—that is to say, I did not wish to undertake to cramp the company.

Q. Do you think that if you undertook to collect it it would break the company bankrupt?—A. I don't know that it would.

Q. What is your opinion?—A. Well, I think it might hurt them.

Q. In your judgment, is or is not the Union Pacific Railroad Company saved from bankruptcy by the forbearance of the Credit Mobilier to enforce a debt on demand?—A. No; I don't think they are.

Q. Do you not think that if the Credit Mobilier should undertake to enforce that debt it would cause the Union Pacific Railroad Company to go into bankruptcy?—A. No, sir.

Q. What do you think would happen?—A. I think they would fight us a while, and that before they had to pay the debt, the business of the company would increase so much that they would be able to pay it.

Q. You think they would fight you?—A. Yes, before they would go into bankruptcy.

Q. Fight you until their business increased enough to enable them to pay it?—A. Yes; that is what I should do.

Q. And that is your expectation as to what they will do if you attempt to collect it?—A. I say that is what they naturally would do rather than go into bankruptcy, supposing that it would throw them there.

Q. But suppose you should get a judgment against them for the $2,000,000 within six months, should you think that would force them into bankruptcy?—A. I don't think that is a supposable case—that we could get a judgment in six months, at least in the city of New York.

Q. You have got a note of hand?—A. We have got a note of hand, but they claim that it is not a valid note.

Q. Is there any valid defense against that claim so far as you know?—A. I don't know of any.

Q. You do not know of any reason why it ought not to be paid?—A. I don't know of any reason.

Q. Is there any other reason why it is not paid except your desire not to embarrass the Union Pacific Railroad Company at present?—A. I don't know of any other reason.

Q. Was your valuation of the lands at Council Bluffs predicated upon the initial point of the railroad being commenced there?—A. The initial point is on the other side of the river where the stake was stuck down—

was fixed as the initial point by Mr. Lincoln, so that there could be any other initial point.

Q. Is the valuation which you have placed upon the land there predicated upon its being wanted for the business purposes of the Union Pacific Railroad Company at some early day?—A. No, sir.

Q. The valuation which you have given is independent of any such contingency?—A. Yes, sir.

Q. Do you not think that the company will require that land for its business purposes at an early day?—A. A small part of it.

Q. If they use a small part of it at an early day do you not expect that will very much enhance the value of the residue?—A. It will double the value of about half of it; the other half is low ground, and it would not enhance.

Q. A good deal of that land is subject to overflow?—A. A portion of it.

Q. How much, in your judgment, would it be worth if the railroad company would take part of it for a depot?—A. I think that would double it.

Q. Can you form any estimate of the effect upon the value of it?—A. It might be worth $400,000 if the depot was established there.

Q. You think it would double or a little more than double the value, and that is all?—A. I think so.

By the CHAIRMAN:

Q. How much of the stock of the Union Pacific Railroad Company do the Credit Mobilier now hold?—A. I think it is less than 2,000 shares—1,500, or something like that.

Q. When was that stock acquired that is now held by the Credit Mobilier?—A. It was acquired a long time ago, I don't know exactly how—several years ago.

Q. Is the Credit Mobilier engaged in any business enterprise now of any kind?—A. No, sir.

Q. How long since it has been so engaged?—A. It never has been since I have been president.

Q. When did you become president?—A. In May, 1867.

Q. Since the Oakes Ames contract the Credit Mobilier has had no business whatever except to settle up its affairs?—A. Yes, sir.

Q. And it has held those 1,500 or 2,000 shares of Union Pacific Railroad stock ever since you have been president?—A. I think it has; but I don't say for certain.

Q. Have you been in any way connected with the Union Pacific Railroad Company; and, if so, in what way, and since when?—A. I have been a director of the Union Pacific Railroad from 1866, I think.

Q. Are any of the Government directors interested in those lands held by the Credit Mobilier?—A. No, sir.

Q. Have they been so interested?—A. No, sir.

Q. None of them at any time?—A. No, sir.

Q. Do you know whether the chief engineer of the road, General Dodge, located by a special description the initial point of the road?—A. I do not.

Q. Do you know whether the bonds that have been received by the company have been received according to a measurement from a point that had been specifically located by somebody?—A. What bonds.

Q. I mean Government bonds.—A. I don't know, sir.

Q. Were you a stockholder in the Union Pacific Railroad Company prior to 1866?—A. I think I was.

Q. When did you first become a stockholder?—A. That I can't tell you.

Q. When did you first become a stockholder in the Credit Mobilier?—A. April 20, 1865.

Q. Were you in Washington at the time that the legislation of 1864 was pending?—A. No, sir.

Q. Do you know anything in regard to this "suspense account" which has been spoken of?—A. I do not.

Q. Was that matter ever before the board of directors of the Union Pacific Railroad Company when you were present?—A. No, sir.

Q. Have you ever heard that matter discussed in the board?—A. I have not, sir.

Q. Have you ever heard the individual members of the board discussing that?—A. I have not; I had nothing to do with it.

Q. Were you in Washington at the time the legislation of 1871 was pending?—A. No, sir.

Q. Were you at the meeting of the board when this item of $[illegible] was under consideration?—A. I don't know whether I ever heard it spoken of at all, the $126,000 that you speak of. I live in New York and the board is in Boston; and I don't [illegible] whether I was there at the time that you have been speaking about to-day or not; I might have been there; but if I was, as I knew nothing about the transactions going on around Washington or anywhere else, I knew nothing about this and never heard anything about it.

Q. Do you know anything about it now?—A. I do not.

Q. Do you know of any moneys having been paid by any person or persons connected with the Union Pacific Railroad Company to any member of Congress or officer of the Government?—A. I do not.

Q. Directly or indirectly?—A. No, sir.

Q. Have you any information of such moneys having been paid?—A. Nothing only what I have heard in this room.

Q. Were you present at the time that the proposition was made to extend the Hoxie contract over a portion of the road that had been already constructed?—A. I might have been, but I do not bear it in mind.

Q. Do you remember the fact that that thing was attempted to be done?—A. Well, I can remember that there was some talk about it; but that is all I can remember.

Q. Do you know the object of extending that contract over fifty-eight miles of road that had been already constructed?—A. Which contract?

Q. The Hoxie contract. Do you remember a proposition that was made by J. M. S. Williams?—A. I remember that there was a proposition made.

Q. Do you remember that, at the time it was made, he had agreed in writing that he would assign that contract to the Credit Mobilier?—A. How long a contract?

Q. Fifty-eight miles or more.—A. I think that is the fact, but I would not swear positively about it.

Q. What was the purpose of extending that Hoxie contract over that piece of road that had been already constructed?—A. I am not able to say.

Q. Was it for any other purpose than to put profits into the treasury of the Credit Mobilier?—A. I can't tell you; I do not recollect that part of it.

Q. You do not recollect what did take place?—A. I do not.

Q. At the time the Oakes Ames contract was let there was a large

nt of road constructed and accepted by the Government?—A. ally accepted.

Was there any partial acceptance on the part of the Govern- ?—A. Yes, sir.

In what respect?—A. Well, at times on that road the Government ors, in some instances where there was not a depot up, or a tank where there was some other little thing unfinished, would accept piece of road, 20 miles or so, or whatever it might be, on condi- that it should be finished before they came again, with the agree- that if it was not finished then according to the acceptance by overnment, they would not give a certificate for anything more.

Were those agreements or understandings put in writing?—A. ir.

You had that kind of verbal agreement with the commissioners?— here were one or two instances of that kind; it was not a general

Do you recollect who were the Government commissioners who ut?—A. I do not recollect now; there were several Government missioners on the line.

At the time these acceptances were made that you have spoken of, here any considerable amount of work remaining to be done?—A. large amount.

Would it require any considerable expenditure of money to make parts of the road in accordance with the requirements of the —A. Not a large expenditure.

Then will you explain what was the object in letting a contract to akes Ames for the construction of a large piece of road that had y been accepted by the Government, and which was at least sub- ally completed, requiring no large expenditure of money to com- it?—A. I don't know that there was that amount of the line ed by the Government prior to that contract.

Suppose it is a fact that there were one hundred and thirty-eight of the road already accepted by the Government, would you then to explain how it came that that contract was let for building ortion of the road which was already built?—A. The only explana- that I can make is this: That there were other things to do on iece of road—things necessary to be done, which the Oakes Ames would have to take care of; and, likewise, that it was not of nsequence to the company—the contractors, if you please to call —how it was arranged. They made an estimate that they would that road from a certain point to a certain point, and complete hing that was necessary to be done on it, for so much a mile; they had not taken in that work they would have increased the to the same amount.

Why could not they just as well have let the contract from the to which the road had been completed as to start at the hundredth ile?—A. I can't see the difference whether it was done that way other way, but I say, as there were some small items along there re necessary to be attended to, it was thought best at the time to the Oakes Ames contract to cover that road complete, everything and in proper shape.

Not very long after the Oakes Ames contract was let there were rge dividends made among the shareholders of the Credit Mobilier, there not?—A. That may be, sir; but it does not necessarily fol- that that part of the road should have been placed with the balance work.

Q. Where did the trustees get the stocks and the bonds which they divided up among the shareholders of the Credit Mobilier in less than sixty days after this contract was made?—A. They got them of the company, I suppose.

Q. Did they get them of the company for work done under the Oakes Ames contract, or for work that had been done prior to the letting of the Oakes Ames contract?—A. The contract was made taking it from the one hundredth meridian to the end of the Oakes Ames contract.

Q. Do you wish to be understood as saying that within less than sixty days after the Oakes Ames contract was let the Union Pacific Railroad Company turned over to the trustees the price of constructing the road that had been already constructed at the prices specified in the Oakes Ames contract?—A. I wish to be understood to say that they received an estimate on that work which was done—you may call it an estimate if you please—sufficient to make that amount.

Q. Do you wish to be understood, then, in this way: that they received an estimate at the rate of the Oakes Ames contract for the amount of work that was done, and that they paid that amount less the amount that the construction of the road had cost the company?—A. It is out of my mind about the amounts you speak of being so many millions—that I do not assent to or dissent from—but I say again, that the cost of the contract made by Oakes Ames with the Union Pacific Railroad Company being agreed upon, taking the road from the one hundredth meridian to the point where it ended, after that contract was made and certain things done, which probably it was necessary to do there might have been an estimate made on the part which had been done by the company or by Hoxie, or anybody else; and it was due to the contractor, Oakes Ames, to receive it as a part of the contract which he was to fulfill.

Q. I ask you whether a large portion of that which was divided up among the shareholders of the Credit Mobilier was not obtained by taking the difference between what that road had cost the company and the prices under the Oakes Ames contract?—A. I suppose it was. We took that contract for four hundred miles of the road. Now we take that contract; we include, if you please, a piece that is accepted by the Government directors, (assuming that it was so; I can't say whether it was so or not;) we include that, and we say that we will do the work for so much per mile the entire distance. We say, if you will throw in this number of miles that is done, we will do the entire road under our contract for so much per mile. Now, I claim as a contractor, (which has been my business all my life,) that if I had taken that contract of the company, and if I had not built one mile of the road beyond that point unless it was stipulated in the contract that I was not to receive anything until the hundred miles was completed—I claim that I could call upon the company according to the letter of the contract, and that it would be just as much my right to get that excess on that piece of road which it was my right to build, as of any of the rest of it; for the reason, that while there may be a profit of $10,000 or $20,000, or $50,000 a mile, there may be a loss of $10,000 or $20,000 or $50,000 a mile. Therefore, I put the two together, and I say that my right is just as great to take the compensation for that part of the road, if it was put into the contract, whether it was finished or unfinished at the time, as to take any other part.

Q. That is, you claim there is just as much right, and no more impropriety in your taking that price for the one hundred and thirty-eight

already completed than there would be if you built a road, and had not been a shovel stuck into the ground until you set to ?—A. I do claim so, sir. I claim that if that road had not been , the price of the balance would have been increased sufficient to the amount the same.

How do you ascertain that? Did you have estimates by engineers you commenced making that contract?—A. There were estimates.

I suppose they were guided in some degree by the estimates of the neers in letting the contract for making the road?—A. They were ded to a certain extent.

And the directors had access to those estimates of the engineers reference to making their contracts I suppose?—A. They were ded to a certain extent in that way; but there was no engineer this of heaven that could give anything more than an approximate esti- of what was to be done on that road, and you had to go by your judgment of the character of the country, and run your risk.

Was the character of the country pretty well understood at that , 1867?—A. I don't think it was as well understood as has been- resented.

Had not the surveys been made, and was it not well understood re the road was to be?—A. Some parts of that road were very ly located; that is to say, the estimates would be to run along this of a hill, and it would have to go on the other side of the hill; and re there were estimates of grades of 80 or 90 feet, or whatever it ht be, the grade had to be changed, and many such things as that, we had to run a hazard on it.

What is the highest grade on the road now?—A. Ninety feet.

Was it not ascertained long before this contract was let that the hest grades would not exceed 90 feet?—A. That may be, sir; but that not govern the cost of building the road, just because they estab- a line and say the grade is so and so.

I am only referring to this for the purpose of ascertaining from whether the general character of the country was understood pretty before the Oakes Ames contract was let?—A. Not sufficiently. Not any sane man would have been safe to have gone in and taken that tract—one single man.

Why do you say one single man?—A. I mean unless there was capital back of him.

What was the understanding at the time the Oakes Ames contract made as to who was to perform that contract or who was to get the fit of it?—A. What do you mean by who was to get the benefit it?

I want to know what, if any, understanding there was at the time Oakes Ames contract was let as to who was to have the benefit of contract and who was to execute it, so far as building the road was erned?—A. The contract was taken by Mr. Oakes Ames as an indi- ual; but though it was at one time in his possession as an individual, hout any writing, as I understand it, or obligation to transfer it, I pose it was meant that it should be transferred to the stockhold- of the Credit Mobilier.

As you understand it, then, that was the understanding at the e the Oakes Ames contract was made?—A. I understand that Mr. kes Ames had it in his power to have held it as his contract; that it made to Mr. Oakes Ames as an individual, but that morally it nged to the stockholders—those who owned stock in the Credit bilier.

Q. And they all understood it in that way, did they?—A. I don't know. I don't suppose all did, for I do not suppose half of them knew anything about it at all until after it was made; but some of them understood it so.

Q. I believe you are one of the seven trustees?—A. I be, sir.

Q. You have been one of the trustees all the while under the Oakes Ames contract?—A. I have.

Q. You have heard these resolutions read by Mr. Duff on the stand?—A. Yes, sir.

Q. In what way were these large amounts of stock which the treasurer was directed to subscribe for, as stated in these resolutions, paid for by the trustees?—A. They were paid for, as I understand it, by checks given to the trustees for constructing the work under the Oakes Ames contract.

Q. Do you mean by that that the railroad company gave to the trustees checks for amounts that were due on account of construction?—A. I do.

Q. And that those checks were used to pay subscriptions of stock?—A. I presume they were.

Q. Were the bonds that are mentioned in these resolutions procured in the same way?—A. I think they were.

Q. What did it cost the trustees to do the work that was done under the Oakes Ames contract and the Davis contract?—A. I don't know; I live in New York, and the books and papers and everything are in Boston, and I have not had anything to do with it.

Q. Has that matter ever been under consideration by the seven trustees?—A. I don't think the seven trustees have brought it to a settlement or adjusted their accounts and made a statement to show exactly what it has cost yet.

Q. Will you be so kind as to inform us who can furnish that information?—A. If I was the chairman of that trusteeship, as Mr. Oliver Ames is, I should say that I could do it. He could do it now, I think; he should be able do it. I am a trustee, but the books and papers are all in Boston, and I am in New York, and the only way that I could recommend is that the chairman of the trustees should furnish the information.

Q. Have you ever had any statement made up from the books showing the amount of profits that were made by the trustees on account of the Oakes Ames and the Davis contracts?—A. I have never seen one.

Q. Do you think it would be safe for this committee to assume that these dividends that have been declared, cash, stock, and bonds, at whatever the stocks and bonds may be worth—do you think it would be safe to assume that those dividends represent the profits made by the trustees under this contract?—A. You mean to ask if there is anything left behind. Well, I don't think there is.

Q. If there is anything, what is it?—A. I can't tell you, only I have heard statements that the trustees' account was very close to a balance, but the exact amount that has been drawn out or made I cannot tell you.

Q. Who made those statements that you heard?—A. Well, the man who is in Boston there, Mr. Rice, I think, is his name. They were not statements exactly, but I asked him how this matter stood, and he said it was not very far from even. It was a random statement.

Q. Do you mean to say that there is, so far as you are aware, nothing, or nearly nothing, due from the Union Pacific Railroad Company to these trustees?—A. I don't think there is much.

Q. When you said it was about "even" you meant that the accounts ween the Union Pacific Railroad Company and the trustees were ont even?—A. That is what I meant to say.

By the CHAIRMAN:

Q. Do you know whether any consideration was paid to Davis, or omised to him, for the assignment of his contract to the trustees?—A. don't know whether there was any consideration promised. I know that paid him at a certain time when there was a settlement of an account de up of other transactions, and I think I allowed him in that either ee or five thousand dollars on account of the assignment of the con- ct to the trustees.

Q. At the time that Davis contract was made did he agree to transfer to the trustees?—A. I knew nothing about it until that agreement s made to transfer it, or until it was transferred; I don't know which.

Q. Has any Government director ever been a stockholder in the Credit obilier?—A. I don't know of any.

Q. Did you ever transfer any stock to any Government director?—. No, sir.

Q. Or authorize it to be done?—A. No, sir; not to my knowledge. ere have been no transactions, much, in the thing since I took it.

By Mr. SHELLABARGER:

Q. You have given to the chairman as an explanation of why that rtion of the road west of the one hundredth meridian which was eady completed at the date of the Oakes Ames contract was included that contract, the statement that had it not been so included the er portion of the road that was not yet made would have been put higher than it was, and would have made it come to the same thing the average?—A. Yes, sir.

Q. You were a member of the board of directors of the Union Pacific ilroad Company at that time?—A. Yes, sir.

Q. Your company procured the issuing by the Government, prior to e Oakes Ames contract, of all the bonds to which that part of the d west of the one hundredth meridian which was already completed s entitled?—A. I suppose they did; but it is not in my mind now en they were issued, whether before the Oakes Ames contract took ession of that or after.

Q. They were issued before, as the record shows. Now, if they were ued, then either the Government was wronged or else that work s done as required by the 4th section of the act under which you re making the road, which requires that the road shall be completed h "all necessary grades, culverts, viaducts, crossings, sidings, bridges, souts, watering-places, depots, equipments, furniture, and all other rtenances for a first-class road." If that work was not done prior the Oakes Ames contract, and those bonds were procured by you to issued by the Government on that part of the road, then a fraud s committed on the Government in getting the bonds so issued before work was done?—A. No; I don't think it would be a fraud if there s a small amount of work remaining to be done. In a case like that, ere a road was pushed on at the rate of three or four miles a day, if re was a station or a water-tank, or anything of that kind to be de, I don't think it was a fraud; I think it was a compromise between e Government commissioners and the trustees, although it might not re been very right to do it.

Q. Here was a plain law requiring certain things to be done, and ecifying them very particularly.—A. Exactly.

Q. Now, if that work was not done substantially as required by th law, would not there have been a wrong committed against the Gove ment if you got the bonds issued before it was done?—A. No, sir. I tell you why?

Q. Certainly; that is just what I want you to tell.—A. The reaso this: By getting those bonds a month or so sooner it would give us creased strength to build the next thirty or forty miles of road; a thereby the Government would get the road a year or two sooner; a therefore it was no fraud on the Government, but a benefit to the G ernment.

Q. Was there any such substantial and material defect in the constr tion of that portion of the road west of the one hundredth meridi which had been accepted at the time Oakes Ames took his contract A. My memory is rather defective about it, but it seems to me that the time that contract was made there were certain things along th that wanted fixing up. To make it an entire clean thing from beginni to end, it was thought best to put that in and estimate it *pro rata* ri through.

Q. How much did you estimate that Oakes Ames had to do on t part of the road which had been already accepted by the Governm and the bonds issued for it?—A. On a contract like that——

Q. Answer my question, if you please.—A. I can't answer it un you allow me to explain.

Q. Then, say you can't.—A. Well, I can't.

Q. Then, when your company let the road, including this finished p for which the bonds had already been received, your company kn nothing about how much Oakes Ames would have to do in order complete it?—A. I say there were some things unfinished, but h much there was I cannot say.

Q. Would it amount to $100,000?—A. If you will let me explai little——

Q. I always want to get an answer to my question first.—A. Well, are a lawyer and I am not. You might be able to answer that ques at once, but I can't answer it without an explanation.

Q. Then answer it with an explanation.—A. My answer is this: O contract as large as that which the trustees were taking, if it had b $100,000, or $200,000, or $50,000, or any such sum, they would not h gone into an estimate so closely as if it had been a small contract, a therefore all that was done was this: it was said there are certain thi still to be done on that, and that piece of road was put in with the l ance of the work.

Q. But you cannot tell whether those certain things that remained be done amounted to $50,000 in your estimates, or $100,000, or w they did amount to?—A. I have no estimate to make. I don't know details, but I know there was something to be done at that time on t part of the road.

Q. You have undertaken to give a reason why your directors inclu two or three hundred miles of finished road—so finished that you l drawn the bonds for it—in a contract at prices of from $42,000 to $45 a mile.—A. Yes, sir.

Q. Now, I want you to give us, if you can, an approximate estim of what you counted the work remaining to be done on that piece road at, in letting it under the Oakes Ames contract?—A. I have estimate to give you, sir.

Q. Had the board of directors of the Union Pacific Railroad at the time?—A. The board considered that it was not fully finis

and, to make the thing complete, the proposition was made to put that in and do whatever was required to complete it, and put the whole at so much a mile.

Q. That you have told us several times.—A. Well, that is the only explanation I can give you.

Q. But can you tell me whether the board, at the time they let the contract to Oakes Ames, made any estimate of what it would cost to finish the work according to law?—A. I don't know that they made an estimate; they made it in the way that I have told you—that they considered there was something to be done there, and he agreed to do it.

Q. I will now call your attention to a statement made by your vice-president, Mr. Durant. Speaking of the risk of Oakes Ames when he took this contract, he says: "The risk would have been somewhat modified by the fact that between two and three hundred miles of this road embraced in this contract had been actually completed, and the difference in price between the actual cost of which and the contract price amounted to upwards of three millions of dollars." Now, if that statement is true, why did your company pay that $3,000,000 of profit on a then completed road, on that contract?—A. My answer is, that if they had not paid it on that they would have paid it on the balance of the road; it was the same thing one way as the other; if they had not taken that into consideration the estimates on the balance would have been that much more.

Q. Let us see about that. Had you made surveys or estimates, which were submitted to Mr. Ames or to your company, and upon which residue of the six hundred and sixty-seven miles were actually let, and did you know what it would probably cost from those estimates then submitted?—A. No, sir; there never was an estimate made there but what was an approximate estimate, so that any contractors that ever took the work could not go by it; the contractors would have to take it at great risk and use their own judgment.

Q. How did your company know, then, that it would be right or wrong if, as you say, no estimates had been made, and if they knew little about the residue of the road—how did they know that it would come to about the same to thus include the finished part of the road along with the unfinished part, when you say they knew nothing about the unfinished part?—A. We knew enough about the proximate location of the road to form estimates which we were willing to risk the building of that road upon, whether it went higher or lower.

Q. Then how did it help you to get at a just price for the unfinished part to include in it the finished part about which you did know all that was necessary?—A. I do not think it helped us at all. I say it would not help us.

Q. Then why did you put them together?—A. For the reason, I say, that there were some things that we considered at the time were not finished on that road, and it was a matter of convenience to have it all together.

Q. Why didn't you make a contract with Ames for the finished part and pay him for it separately?—A. I have answered that three or four times. As I said before, it was because it was a matter of convenience, because we considered that that part was not finished, and I say now that if that part had not been placed in that contract the balance would have cost that much more, and it was no injury to the company or anybody else whether that was put on to the balance of the road or whether it was cut off at that point.

Q. Is that all the explanation you have to give—that it was a matter of convenience?—A. That is the explanation.

Q. Was not about the first thing you did after you made this convenient arrangement to divide up these $3,000,000 profits in the shape of dividends?—A. I do not know, sir; I have not got the date.

Q. Had the Evans Pass been adopted as the route that you would take for your road at the date of the Oakes Ames contract?—A. I think it was, but I cannot say now for certain.

Q. The general character of the route was well known at the time of the Oakes Ames contract, was it not?—A. It was not closely defined, so that no person could bring the cost of the work down to a close margin. I didn't consider it so.

Q. Why did you let it before it was surveyed and estimated?—A. We wanted to finish that road as soon as we could, and if we had waited for such things, if we had gone on and located the road in the way that it is done in the Eastern States, putting down a stake every 100 feet, and making up the quantity so as to know to a few yards what there is in it, we would have had to keep an army to protect our engineers; they were scalped, some of them, as it was, and the thing would have taken so long a time that it was thought best not to do it.

Q. That is not an answer to my question. I would like to know why it would not have been wiser for the company to have gone on as they began, by letting sections like that which they let to Hoxie, letting a small part of the road, the character of which was well known at the date of the letting, so that the company could protect itself against exorbitant prices. Why didn't you pursue that policy after you got beyond the one hundredth meridian, letting, say two hundred miles at a time, that you knew all about, and constructing that, with proper surveys, estimates, &c., and then, when you got that done, proceed with the next?—A. Well, in the first place, you could not find any contractors that would have gone out there and made an estimate on that work who would have done it as cheaply as Oakes Ames did it, because of the risk by Indians, and on account of not knowing the country, and the great expense of hauling material, &c. Imagine a small contractor, having two or four miles of road, a hundred miles out, with the Indians driving his men off or killing them. It was as much impossible to have let that work to small contractors, and to have got it done by this time, as it is to do any other impossible thing.

Q. But you had until 1876 to do it. There was no need for haste, unless that need arose out of the condition of the country. The law did not require such haste.—A. No, sir; the law did not require it.

Q. What was it, then, that did require the haste?—A. Well, sir, I can only say to you that the parties who were interested in it were anxious to build that road rapidly. I, for one, at the time that we started, or some time after we started it, felt very ambitious to build that road, and to build it quick, even if it cost more money, and therefore the Oakes Ames contract, as I considered always, was made more to carry out that idea than it was to steal the proceeds of the road; the parties who were interested in it being so many in number and being capitalists, so that if they did happen to lose a little something out of it it would not hurt them the same as it would hurt an individual.

Q. Let me see if I can state your explanation correctly. It is that the condition of the country, the danger from Indians, the great remoteness of the country from ordinary means of transportation, and all that, were such that a man would not incur the risks and dangers of such work unless he had a very large contract out of which he might

expect to make liberally, if he incurred those hazards?—A. Yes, I do say so.

Q. And that it was therefore impracticable to let the work in small quantities, because for small quantities men would not take those risks?—A. Yes, sir, I say so. I know that to be a fact, for I have been building railroads all my life, and in this case I tried to get some of my old contractors—men that have worked for me for years—and the only parties that we ever got out there were some track-layers, and at that time I had to make a guarantee to them that they should be all right, or else they wouldn't start the work at all.

Q. There was some testimony given here, perhaps it was before you were in the room, tending to show that instrumental surveys had been actually made and returned before the Oakes Ames contract was let for the entire line, and that those were accompanied by estimates of quantities, but not of values or cost. Is that true according to your recollection?—A. No, sir; there might have been surveys made and lines laid out, but there never was one that was surveyed accurately at all. About the time that we began grading along the line, many a time we were up to the engineers with the grading, and had to stop so as to get the location in the most desirable place. I say there was no location of the line made there before that time, which defined the thing sufficiently so that any one could make a close estimate. I know of what I speak, for I was out there a good deal, and slept many a night on those prairies.

Q. I did not intend to intimate that that testimony tended to show that there were such complete surveys as are ordinarily made, but that there were surveys and estimates. We have not been able to learn just how full those surveys were, but we have learned that there were surveys made before the letting of the Oakes Ames contract?—A. There were; but they were very inaccurate. Some were for one side of a stream and some for the other. Some were for one side of a hill and some for the other. It was merely a preliminary survey of that country to show that a road could be built there; that is all they were, in my estimation.

By Mr. HOAR:

Q. You were asked by Mr. Shellabarger as to your opinion of the practicability of making contracts for the construction of this road either in small pieces or with strangers; state to the committee any facts which you may desire them to know as to any attempts which were made to give the railroad contractors of the country notice of the desire of this railroad company to let contracts for the construction of this road.—A. Well, sir, the notice that was given in that case was the same as I always give when I am building a hundred miles, or any large quantity of road; the same as I have done on all the work that ever I have let for the last twenty years, that is to say, to go to Mr. Hoar, or Mr. Duff, or Mr. Shellabarger, or to write them a letter, if they are old contractors of mine, and if I know them to be good men, and say to them, "I have got a piece of work and I want you to go out there and do it." By advertising work of that kind, putting it out broadcast to the world, we get so many irresponsible parties, men that come with bundles of recommendations as big as a Bible, and those that have the most are the poorest, and the first thing you know you get the work into irresponsible hands and it is delayed. But I say to this committee now, that I, Mr. Duff, and others, endeavored to get men to go out on the line of that road, and did succeed in getting some men to go out and take some

small pieces of the work where they knew they would not be killed; but in my opinion it was impossible to have got contractors that were responsible to have gone out and built that road in the ordinary way in which roads are built, and I am sure that if it had been attempted to do it in that way it would have taken us about three or four years longer to have finished the road. I think, myself, that we made a mistake. We threw away millions on that road to hasten the road through, and I know it, and if the work was to be done over again, and I was to make my dollars out of it, I would not build it so soon by two or three years; but we got into it and got to going ahead, and we laid our track at the rate of four or five miles a day, so that instead of costing $600 a mile it cost us $1,500 a mile. That is the way we went on, and that is how it cost us to drive it at that kind of way.

Q. Was not one of the motives for that haste the fear of being interrupted by Congress if the fact should be known that a contract of this kind had been given out and was going on?—A. I considered, sir, that Congress had no more right to interfere with us than they have to interfere with Spain; that we had done for Congress just what we had agreed to do, and that they had no right to touch us so long as we fulfilled our contract.

Q. I did not propose to invoke, by my question, a discussion of the question of right. What I want to get at is the question of fact—whether any person connected with that work hurried the construction of the road in order that it might be completed before any interference could take place on the part of Congress?—A. No such thought entered my mind. I thought we were doing justice to the Government, and that they had no right to complain.

Q. Why did you build the road with this unusual and unprofitable haste?—A. Well, sir, I can only say that Mr. T. C. Durant, our former vice-president, is a fast man. He started fast, and I tried to hold him back awhile; but he got me to going pretty fast before we got through. We got the notion of putting the work through in about so many years, and we did it, and we did it at our cost. I have not looked at the books—I ain't a book-man—but the representations here are that the contractors on that road made 18 or 19 per cent. Now, I say here that I would spurn the contract; I would not take that contract to-day, nor any other contract, unless I could make that much on it. I have got a contract to-day on the Harlem Extension of $5,000,000; and if I did not think I could make my 15 or 18 per cent. on that I would not touch it; and when they talk $16,000,000, or 19 per cent. profit on a contract like that, with the risk that they run—the risk of every one of us being bankrupt if we could not have sold our bonds or got through in the right shape—I say it is an outrage.

Q. Have you any further answer to give to the question why the road was constructed with this unusual and unprofitable haste except that Mr. T. C. Durant is a fast man?—A. I can only say, sir, that we felt that the price which the Oakes Ames contract gave for it warranted us in doing it fast.

Q. But I understand you to say that the profit anticipated on the contract was not an unusual one?—A. It was not.

Q. Then if you had a contract to build that road, and the anticipated profit and the profit actually realized were not unusual, why did you build it with this undue, unprofitable, and wasteful haste?—A. I don't consider it wasteful, sir. I consider that the road was not wastefully built, in one sense. Time was a very important element in the thing on account of the interest accruing on the bonds as the road progressed

Q. But that applies, in proportion, to all railroad-building; there is a loss of interest after the expenditure is incurred and before the road begins to earn money?—A. Yes, sir; and I tell you this: that many roads that I have been on in the East have been delayed on account of a single cut or a single section, when all the capital invested was at stake, just for the reason that the directors didn't know what they were about; that is to say instead of paying a man a dollar a yard for a stone or a hard-pan cut they would keep him down to 30 cents or 40 cents, and say to him that he must finish that according to the contract, when, by acting in that way, they would lose thousands and tens of thousands of dollars in interest by not getting their road done in time.

Q. That we understand. Now, you allege as one cause of the great expenditure in constructing that road, the great haste with which it was completed. Was it not constructed with unusual haste?—A. It was.

Q. And did not that unusual haste increase the cost of the road to a very considerable extent?—A. It did, sir.

Q. Was not that contrary to the ordinary and profitable methods of railroad-building?—A. Well, it was driven faster than they are usually driven.

Q. Now, can you give any reason for that haste, other than the fact that Mr. Durant, the vice-president of the road, was a fast man and got you to being a fast man too before you got through?—A. What I meant by saying that he was a fast man was, that he was a man who when he undertook to help to build a railroad didn't stop at trifles in accomplishing his end. I say the road was built fast, and it was built at greater expense than if it had been two or three years longer in building.

Q. Did the desire of getting as far west as possible before you should be met by the Central Pacific Railroad enter as a motive into that hasty construction?—A. It did in the last part, but not for a long time.

Q. Did you hasten on that account?—A. We wanted to get the Salt Lake business, for instance; still it was not so much the amount of profit that we would make out of the contract, or out of that business, as it was to get a governing point.

Q. A governing point in reference to the control of business after the road was completed?—A. Yes, sir.

By the CHAIRMAN:

Q. Several times during the course of this examination it has been said that 18 or 20 per cent. was not an unreasonable amount to make on a railroad contract; 20 per cent. on what? On the cost of the work?—A. I mean 20 per cent. of the contract.

Q. On what you receive from the contract?—A. Yes, sir; I would not take a contract unless I thought I could make 20 per cent. on it.

Q. You do not mean, then, 20 per cent. on the aggregate moneys that are paid from time to time?—A. I do, sir; I might miss it; contractors do miss it, but they never estimate for a piece of work unless they can estimate for a profit of 20 or 25 per cent.

Q. Do you mean 20 per cent. on the contract?—A. I mean 20 per cent. on every dollar that is in it.

Q. You mean to say that if you had a contract for a piece of road of one hundred miles, at $50,000 a mile, you would not think it unreasonable if you were able to construct that road at 20 per cent. less than that amount?—A. That is what I mean.

Q. Do you know anything in regard to any money having been paid to Government commissioners in order to get them to report favorably on the acceptance of portions of that road?—A. No, sir, I do not.

Q. Do you know of Government commissioners making attempts of that sort?—A. I do not.

Q. Did you ever hear of anything of that kind having been done?—A. Nothing but what was rumored. That rumor was afloat a long time ago, and the first I ever heard of it was from the bragging of a man who got it—a man here at Washington.

Q. Was that a fact within your knowledge?—A. No, sir. I would never give a cent to any man living to help the Union Pacific Railroad Company, nor never will; and I never came to Washington to get a bill fixed. I never was here but once in my life before, I believe, and I hope not to have to come again on account of the Credit Mobilier.

WASHINGTON, D. C., *February* 1, 1873.

HENRY C. CRANE recalled and examined.

By the CHAIRMAN:

Question. State again, so that it may be conveniently known by the committee in this connection, what your relation was to those trustees.—Answer. I was their secretary and assistant treasurer up to the time that they moved their office to Boston. I was appointed permanent secretary of the trustees, and I consider myself their secretary yet, but since they took their matters to Boston I have had nothing to do with them there.

Q. Was the principal part of their business done with before they went to Boston?—A. It was.

Q. The contracts that they were interested in had been substantially performed, and the moneys received from the Union Pacific Railroad Company?—A. Yes, sir.

Q. Have you looked through the books that have been brought here to see whether all the books of the trustees are here?—A. I do not think the books are complete.

Q. What seems to be wanting?—A. All the transactions that have taken place since the company have moved to Boston—the books that contain these transactions.

Q. Are you able to state now what this work in the Oakes Ames contract and the Davis contract had cost the trustees up to the time the books were taken away from New York?—A. No, sir.

Q. Have you ever examined the books with the view of ascertaining what it cost?—A. The only examination I made was to see what the last engineer's estimate called for as due the contractors, but as to the cost of the construction of the road I should not be able to tell anything about it.

Q. Should the books of the trustees show that?—A. They should show it.

Q. And if they are found they will show it?—A. They will, if they are made up correctly.

Q. Are there any books here showing the cost of construction up to any particular date?—A. Yes, sir; I think I have the books up to the time of the removal to Boston.

Q. Please look at those books and state what they show to have been the cost to the trustees of the construction of the road up to the time that the books left New York and went to Boston.—A. There is no way to tell it from the books without first taking a balance from them.

Q. How long would it take to make that out?—A. I do not know.

Q. Is that all in your writing?—A. There is none of it in my writing.
Q. Who wrote it?—A. A man named Lathrop.
Q. Under your supervision?—A. O, yes.
Q. Then you are familiar with it?—A. Yes, sir; I had a balance-sheet made every month.
Q. Do you know where those balance-sheet are?—A. Yes; I think they ought to be in Boston. I believe I returned all the papers of the contractors to Mr. Oliver Ames.
Q. Can you tell from the books what that part of the road beyond the one hundredth meridian, which had been accepted at the time the Oakes Ames contract was made, had cost the Union Pacific Railroad Company?—A. No, sir, I cannot tell you.
Q. Can that be told from the Union Pacific Railroad Company's books?—A. They can tell what they got the Government pay on, and that would tell how much road had been accepted.
Q. That we have right here.—A. Well, it is not divided at all on the company's books.
Q. Then there is no mode of telling what that part of the road had cost the company up to that time?—A. No, sir; there had been payments made on account of the contract of Boomer, charged to Gesner, I suppose.
Q. That work had been done by Gesner, but as agent for Boomer?—A. Yes, sir.
Q. Let us see how much has been paid to him.—A. Up to March 22, 1867, there was $1,895,954.47.

By Mr. SHELLABARGER:

Q. Are there no books that will show the cost of any certain division of the line?—A. No, sir; I do not think there are.

By the CHAIRMAN:

Q. Gesner was agent under the Boomer contract, and the Boomer contract stipulated for $19,500 a mile for some parts, and $20,000 for others. Now, up to the 22d of March there had been constructed under that contract exactly fifty-eight miles; that is to say, there was that much accepted by the Government; now, at that time the company was doing the work itself, was it not?—A. The idea was, according to the resolution of the board of directors, that the work should go on in some way, and in order to carry it on as a contract this Boomer contract was made, and the general resolution of the board was that whenever there was a contract made they should assume, in their general contract, all the responsibilities, liabilities, and advantages of that contract, which they did.

WASHINGTON, D. C., *February* 1, 1873.

THOMAS C. DURANT recalled and examined.

By the CHAIRMAN:

Question. It has been testified since you were on the stand last that at the time this "suspense account" was settled you brought in a lot of vouchers—the vouchers upon which it was settled—in a tin box; and that those vouchers you took away with you again.—Answer. I may have them, but that account was settled a second time, and it is long ago, and I have since had no use for them. They may be among the papers of the Pacific Railroad Company. They are simply for the

most part memoranda. The way that sales of stock and sales of bonds, &c., are sent in is this: they do not make out a regular bill for one hundred shares or two hundred shares, but they just write on a little slip of paper the sum you are to pay, and you give a check. Then entries are made on the books, and there is no further use for the memoranda. Now, I think I can help this committee a good deal in getting at what they are after here. There was one witness I noticed here who testified that he got Union Pacific bonds, and I am satisfied that he thought he was telling the truth; but he was mistaken. They were Union Pacific Eastern Division—bonds of the Union Pacific, Eastern Division—which was formerly the Leavenworth and Pawnee road.

Q. Before you go to that we wish to see if you can tell us where those vouchers are. Mr. Alley understands that you carried those vouchers away with you. I am talking about the "suspense account" that was settled, and the vouchers on which it was settled.—A. I don't know that I understand just what you mean. O, those are regular vouchers, with the names of one or more of the directors on them, and they belong to the Union Pacific Railroad Company. Those I can probably find; but they were made up from those certificates, whatever they were.

Q. And you say the bonds that were used, and that have been talked about so much here, were not bonds of the Union Pacific Railroad Company at all, but were bonds of the Leavenworth and Pawnee road?—A. The old Leavenworth and Pawnee road, or Union Pacific, Eastern Division.

Q. What were those bonds used for?—A. I never knew anything of them after they went into Stewart's hands.

Q. Do you know what Stewart did with them?—A. No; I do not think he is in a lawsuit about 160 or 180 of them. I understand so.

Q. Where?—A. I do not know; they were deposited in some bank, and somebody that was not entitled to them borrowed money on them, and I understand that he got into some trouble about them.

Q. Was Stewart in your employ?—A. Yes, sir; he was in my employ.

Q. To do what?—A. To arrange and adjust a good many matters relative to getting that bill passed.

Q. What were those matters?—A. When you asked me the question the other evening, I commenced to explain, but you confined me to the question. In order to explain that, I will have to go back a little; but I will only detain the committee a few minutes. The original bill was passed in 1862. It provided, by the appointment of commissioners, for the incorporation of a railroad company, to commence its road at the one hundredth meridian, and extend to the State line of California. The policy of Congress at that time was not to grant charters in the States, but only in the Territories. The company was compelled to build a branch road to some point in Iowa, to be designated by the President, and also another branch to Sioux City. The Central Pacific, or some other road there, was given the same subsidy with the right to build to the State line, and connect with the Union Pacific Railroad. The Leavenworth and Pawnee road, which had been organized for some time, and which had by some Indian treaty, I believe, a grant of lands, which was supposed to be valuable, was also given the same subsidy, with the right to connect with the Union Pacific Railroad at the one hundredth meridian. There was a clause in the bill that enabled these railroads, in case the Union Pacific Railroad failed to reach the one hundredth meridian at the time they did, to take up the road and go on without the

servation of any Government directors or anything else. That bill was passed under the auspices of the Leavenworth and Pawnee road. It was never supposed, I understand, by the parties who passed that bill that the Union Pacific Company proper would ever be organized. The commissioners opened the books, and the time had nearly expired—

By Mr. SHELLABARGER:

Q. Was that Leavenworth and Pawnee a State charter?—A. A State charter obtained in Kansas.

Q. Had it at that time a land-grant?—A. I do not know whether it had a land-grant or not; but it had something that they were making a great deal of noise about, some kind of a grant of land, which they got by some Indian treaty. I don't know anything about it.

Q. Did that authority to go on from the one hundredth meridian come from the State charter, or where did it come from?—A. From the Union Pacific charter. The act of 1862 contained a clause which allowed them to go on, in case the Union Pacific failed to reach the one hundredth meridian as soon as they did, without Government directors or any restriction. The commissioners appointed to open the books for obtaining subscriptions to the Union Pacific Company, opened their books and held meetings. They opened books in Chicago and Saint Louis, and all the places designated by law; but very few subscriptions were made, and the time had nearly expired when they were compelled, by law, to file an acceptance of the charter. Their subscriptions were not made up; but the officers of the commission—not the directors—filed an acceptance, and that acceptance was accepted by the Government. The company was afterward organized in October, 1863, by the election of a board of directors, having made up their subscriptions to the amount required. I never went into it until August. I then made up my mind that I would subscribe $50,000. It was very difficult to get the subscriptions made up. I tried to get capitalists all around to subscribe, and finally I procured a dozen or fifteen subscriptions by giving the notes the money to pay a 10 per cent. installment, and agreeing to guarantee them against any loss—agreeing to take the stock off their hands. Then the books were sent, and parties sent to Boston and Philadelphia, but they did not succeed very well; and I finally got my friends to make up subscriptions to the amount of $2,180,000, by furnishing three-fourths of the money to make the subscriptions myself. When we came on to Washington it was known that the road could not be built under the bill as it then stood, but it was thought it would be amended, as there was a great feeling in favor of the road at that time. California was making considerable noise just then, and the Government was very anxious to get the road through to California; and we were therefore satisfied that we could get an amendment which would enable us to build the road. I was here two or three months, and I saw that while everybody was disposed, so far as we could see, to vote for the bill, yet, whenever it came up, there was some clause introduced that gave these other roads all the privileges—some of them that, in fact, prevented the road from going on. Among them there was a clause (now changed to section 11) which I understood Mr. Thaddeus Stevens insisted upon very strongly. I went up to see Mr. Stevens, with this Mr. Hay that was here, and referred immediately to this Leavenworth and Pawnee company, on which it appeared that Mr. Stevens was utterly opposed to them; he said that their obligations were such that the Gov-

ernment would not be protected by allowing any lien prior to the Government lien. Already, he said, there were heavy judgments against them, and their franchise had been sold once or twice. I asked who it was that had claims against them, and he said John C. Frémont and his friends had claims for $1,200,000, and that he should not consent to any bill being passed through his committee, if he could prevent it, unless he was satisfied that the Government was protected, so that the Government lien would be what it was meant to be. He said the best way for the parties would be to see if they could not arrange their matters among themselves. Mr. Hallett was here at that time, and Mr. Perry, and, I think, some of Frémont's friends, and two or three parties belonging to the Leavenworth and Pawnee road, and I don't know who else. At all events we could not get along unless we headed them off at their quarters. Then, thinking there might be some money to be made in the Leavenworth and Pawnee road, I took a third interest in a contract, that was already let, to build a portion of the road, and advanced between three hundred thousand and four hundred thousand dollars. I gave it up afterwards. I then found that the object still was to control the Union Pacific road under that charter, and I was strongly urged to abandon the Union Pacific organization, and let the Leavenworth and Pawnee go on without any Government directors or any other restrictions. I found, also, that they had large obligations out. There were three or four millions of their stock floating about Washington. Some of it was full-paid stock, and some of it was stock subject to assessment; but the parties who held the stock subject to assessment seemed to think it was quite as valuable as the stock that was full paid. They had the most extraordinary ideas of its value on account of this Indian treaty. It was to arrange all these matters, and get the opposition withdrawn, that I employed Mr. Stewart. There was no use in talking to Congress itself, for Congress had its masters in the constituents of the members—in public opinion; and where their constituents were interested in an enterprise they would come on here and keep the city full; and they did come on here, and we met these parties at every point. I found that Mr. Stewart had been in the employ of the company before; I think Mr. Huntington introduced me to him.

Q. Which company?—A. The Leavenworth and Pawnee Company. Mr. Latham was in the employ of Mr. Hallett, of the Leavenworth and Pawnee Company; and I think Hallett himself was here, and three or four others. I gave authority to make the best arrangements that could be made, instructing him distinctly that, as to buying any of that stock subject to assessment, I did not want to hold it; that I would not have it on my mind; but if there was any way to arrange matters, by making compromises or payments, it might be done, on condition that they withdraw their opposition to the amendments, and that a bill should be passed which would give the Union Pacific an equal chance with the rest of them. How they made all those arrangements I do not know. Probably I should have known a good deal more about it than I did, but I was taken sick, and for eight weeks I did not go out of the hotel, and for six weeks I did not leave my bed; the physicians did not allow me. I left the matter with Hallett and Stewart; and, whatever demands they made upon me, I met them. A portion of the arrangement was for our company, the Union Pacific Railroad, to give some sort of obligation that we would pay these matters, as the road progressed, in the bonds of the company; but I afterwards made up my mind that we did not want any obligations out against the com-

when we came on the market to borrow money, and I authorized parties to make a trade, and bought the other bonds and turned them instead; and when they came in with either one thousand, or two three thousand, or whatever they had of those bonds, I gave them money for them. I recollect one draft of $60,000, because I kept along and made a ten-thousand dollar payment on it at one time, a twenty-thousand dollar payment at another time, and I think was two years before I paid it in full. That was a draft of J. B. Stewart; that Mr. Hay presented himself. What that original stock was spent for I do not know. The certificates were all made out in the name of J. B. Stewart. It might have been employed in Congress; and might be that, if Congress undertook to expel every man that owned there might be a difficulty in finding some one to expel the last I saw that the witness here meant to tell the truth, and thought had got Union Pacific bonds; and he was right; but they were Union Pacific, Eastern Division. They were construction-bonds, having only five or ten years to run, when they were obliged to take them There was another thing that complicated the matter a good deal. mean the rivalry between cities. The Saint Louis interest fought and strong to make the terminus of the road so as to benefit Louis, which it would do if it was at Leavenworth, in Kansas, they carried Kentucky, and I think Ohio. The Iowa and other northern legislatures were in favor of the other route, and so was the Chicago interest; and it was with a good deal of difficulty (I think I Mr. Wilson to draw up the resolution for it) that we got the clause in prohibiting the Government from delivering any bonds on the line from the one hundredth meridian. The object of that was, in they succeeded in getting the control of the road to Saint Louis, they should be still compelled to build the Iowa branch.

By the CHAIRMAN:

Q. I have not yet gathered from your statement what it was that parties were to settle.—A. They were to arrange for the withdrawal of the opposition of those parties, who supposed they controlled road, by arranging, if they withdrew their opposition, to take part their stock and settle claims that they had, so that they would all come to some kind of a bill.

Q. Do you mean to say that the arrangement, of which you speak, simply amounted to buying off their opposition to the legislation of —A. In what way?

Q. By this arrangement that you speak of.—A. Well, I think in some instances they made arrangements to take an interest in their roads, and give them an interest in the other road, so that they would all act concert. In that manner they arranged between them in some way; don't know how it was done; but they arranged between those parties, agreed to take up their bonds, which brought their outstanding down to a point less than the Government subsidy, or equal to the Government subsidy. That arrangement was made; but how it was made, I do not pretend to say. I know that all of that Leavenworth and Kansas stock that was returned to me I got rid of as soon as possible, most of it was subject to assessment, and I let anybody take it that would.

Q. What do you say was your object in taking an interest in that road?—A. They had beaten us right out; we did not stand anywhere, when I found out what we had to fight. We found that Congress was right; but there was some outside pressure, and we did not know what it was.

Q. And you wanted to get rid of that outside pressure?—A. Yes, sir.

Q. Now, how was that done?—A. By getting the constituents of the members in different States, that were interested, to come on here and reason with them; and, where it was necessary, asking them to get the legislatures to pass resolutions of instruction as to what they wanted their representatives to do.

By Mr. SHELLABARGER:

Q. Who delivered the assets to Stewart which he received, and which he says amounted to $250,000, or about that?—A. The drafts were paid at my office, and the bonds were either delivered by myself, or by my order.

Q. Delivered how long before the act passed?—A. O, nothing at all was delivered until after the act passed.

Q. When did you first make your engagement with Stewart, by which he became entitled to those assets?—A. In the winter of 1863–'64.

Q. Was that in writing?—A. No, sir; they frequently came to me when some claim would come up——

Q. A few questions answered categorically will be more satisfactory to me than these volunteer statements. Was the arrangement you made with Stewart made with him in person?—A. Yes, sir; in person. Well, I carried out the obligations of Samuel Hallett.

Q. Please state as concisely as you can what that agreement with Stewart was, whereby he became entitled to receive those assets amounting to $250,000?—A. Most of it was in this way: here was a enormous amount of claims, and it would take an enormous amount of money to arrange them, and I said, "I won't pay the money; if you can arrange it for so much among yourselves, do so;" and they arranged it just as they chose.

Q. For how much?—A. Different sums; it may have been $80,000 in one case, and $100,000 in another; but I do not recollect.

Q. Then, at various times prior to the legislation of 1864, you had further agreements with this Mr. Stewart, by which you stipulated with him to arrange certain conflicting interests for such an amount?—A. I said I would not exceed so much, and sometimes I said I would give so much.

Q. The amount in each case was limited at least in its maximum?—A. Yes, sir.

Q. And all those amounts, added together, come to about the sum that Stewart mentioned?—A. O, my, I think they would come nearer to six or seven hundred thousand—the amounts all around.

Q. Give us now only what was used for the purpose of securing the legislation of 1864?—A. Arranging those difficulties?

Q. Yes; what was the aggregate amount that passed through Stewart's hands on that occasion in connection with that matter?—A. I am not positive, because, I was West; and afterward it changed hands and Stewart made some proposition to the parties in Philadelphia, which I acceded to, and whether he took $100,000 or more, or not, I do not recollect, but I should judge it was somewhere between $300,000 and $350,000.

Q. There was no actual delivery of assets to Stewart until 1865, or until after the legislation of 1864?—A. Not until after the legislation of 1864.

Q. When you came to settle with Stewart, of course he, or somebody, presented a memorandum, or something, to show how much was coming

...n?—A. I think they only sent me memoranda—Stewart, Hallett, ...Latham—they notified me how much they wanted——

...Who notified you?—A. Latham or Stewart. I had these taken ...and bought other bonds——

...Had what taken up?—A. My obligations. I told them to bring ...back and I would exchange them for other bonds.

...I understand you that up to the legislation of 1864—until that ...lation was passed—there were no bonds of any kind, and no obliga... delivered to Stewart?—A. I don't know but he might have ...ded the Leavenworth and Pawnee, but I did not give them to him; ...n't know anything about that.

...If he had that, it was not contributed by the Union Pacific Rail... Company?—A. No; there was none by the Union Pacific Railroad.

...I am trying to confine the inquiry to that at present. Prior to the ...lation of 1864 no assets of any sort were delivered to Stewart by ...te aid in securing that legislation?—A. No, sir.

...But after that legislation you did have, I suppose, some settlement ... Stewart, and some method of ascertaining what was coming to ...?—A. He sent memorandums of what he wanted, and so long as ...were within the gross sum that we had agreed upon, I paid no ...tion to the details, but let him have what he wanted.

...And he would send you a memorandum when he wanted any...?—A. Yes, sir; sometimes on a small piece of paper.

...How did he send you those memoranda?—A. He would send them ...e at the hotel.

...Where were you at those times?—A. I was in New York, and out ..., and all about; I was not here.

...What I want to get at is, what evidence he presented to you, after ...legislation of 1864, showing what he was entitled to be paid upon ...r engagements with you.—A. I don't recollect. He showed me ...ing that I could tell anything by. He might have kept three-quar... of it himself for aught I know.

...You took his word for it?—A. Yes, sir; I took his word for it.

...Where were you when he first began to make those demands for ...ney after the law was passed?—A. I cannot recollect; I have not ...least idea. O, yes; he called for some money while I was in Wash..., and I did advance some here in Washington.

...Before the law was passed?—A. Yes, sir; before the law was ...ed.

...How much money did you advance before the law was passed?—...Maybe eight or ten thousand dollars; I can't recollect exactly. ...t was for people from Saint Louis.

...And nothing more was advanced before the law was passed?—A. ...n't think there was anything more.

...And after it was passed you took Stewart's statement of what was ..., and forwarded the amounts to him without questioning them?—A. ...ir. As I said before, I was sick, and he and Hallett arranged it ...een themselves, and whatever Hallett said, I took as right.

...Who was Hallett?—A. He had the contract to build the Leaven...th and Pawnee road.

...Had the company then been organized, and had it chosen its offi...?—A. Yes, sir.

...Were you an officer of the road at that time?—A. Yes, sir; I was ...president, and owner of three-quarters of the stock—virtual owner.

...Give briefly the reason why those large amounts were paid over ...the Union Pacific Railroad Company, without any vouchers to show

what was done with them.—A. I had agreed that they could use so much money in making those arrangements, and as long as they kept within that, that was all I had to do with the matter.

Q. Please tell what memoranda you preserved to enable you to remember so many transactions, and to enable you to know that Stewart was keeping within your prescribed limits.—A. They gave me a list.

Q. Who gave you a list?—A. They gave me a list that there were so many bonds required, or told me there were so many bonds required to meet the engagements.

Q. When did they give you that list—after the law was passed?—A. After the law was passed.

Q. As I understand you, when the arrangement was made by you with Stewart, before the law was passed, you gave him the maximum amount?—A. I did, in some cases.

Q. And in other cases you agreed upon amounts for particular purposes?—A. Yes, sir.

Q. That occurred before the law was passed, and he acted under these arrangements with you until after the law was passed. What I want to get at now is, how you retained in your mind the amount or amounts that you had limited him to, or that you had agreed to, in each particular case, and whether there is any paper or book that will show these amounts, or how you limited him?—A. He would tell me that there was an amount—three or four hundred thousand dollars, or whatever the amount might be—wanted, and it made no difference to me what he did with it——

Q. That is not an answer to my question. I want to know whether you preserved any papers or books to show you, when he called upon you for payment after the law was passed, what your prior arrangements with him were, and if you did, what were those papers or books, and where are they?—A. The papers were showing that so much had been used, and that my proportion was so much; the statement was made, the paper was certified to by one or two of the directors in the company, and that was the last I ever thought of it.

Q. Then there was nothing kept by you by which you retained in your mind the amounts that you had authorized to be used in each given case, but when you came to make those settlements with Stewart, after the law was passed, you simply took whatever was certified to you?—A. Yes, sir; if it was within those amounts.

Q. But how did you retain the amounts of so many complicated transactions?—A. O, I didn't try to retain the particular amounts, so long as he kept within the aggregate. I looked if the amounts was within the aggregate.

Q. What was that aggregate that you gave him, and required that he should not exceed?—A. I think it was $500,000, as I recollect now.

Q. Did he, in his demands, exceed the aggregate?—A. No, the demands did not come up to the full amount.

Q. You have told us various items in that aggregate, that you had to reconcile and get clear of these conflicting claims, &c. Now I will ask you this question, and you will please answer it carefully; whether in that aggregate there was embraced anything as having been paid to any member of either House of Congress, or to any officer connected with the Government of the United States?—A. There was not.

Q. In your arrangement with Stewart did you forbid the including in his drafts upon you anything of that kind on account of payments made to members of either House of Congress, or to any officer of the Government?—A. I told Stewart when he first took the matter in charge,

and it was understood all along, that Congress was all right, if we could only get the outsiders all right. There was no necessity of using a dollar in Congress. I had had bills here before, and I had refused to buy a member of Congress. My memory is bad as to the name. Twenty years since I had a committee of four wait upon me, representing forty members of Congress, and I refused to have anything to do with them. I never bought a member of Congress, and I never would have anything to do with such a thing.

Q. Did you prohibit Stewart from using any part of that $500,000 or $600,000 in influencing members of Congress by paying it to them, either directly or indirectly?—A. It was so understood; that nothing should be done with members of Congress.

Q. Have you, from any information that you can now give to the committee, any reason to believe that Stewart did include in the claim that he made upon you anything that he had used in corrupting or influencing members of Congress?—A. I don't believe he did; I have no idea that he did so; he informed me of nothing of the kind, and I have no idea that he did it. Whether any of them were stockholders in that company I can't say.

Q. Did he ever give you an account that satisfies you now, as you testified here to-day, that it was a just account of what he did with your funds?—A. I found Mr. Stewart very fair.

Q. Answer my question.—A. I did not criticise his account.

Q. Did he ever render you an account?—A. In detail, no; nothing more than a memorandum that there was so much due, and that he wanted it at such a time.

Q. Did he ever render you an account which showed the aggregate amount for which he made demands upon you, and which you paid?—A. No, except in the way I have stated. He wrote me a letter once giving a general account, and I think I left it on my desk; that was simply a general thing.

Q. There is no memorandum or book or paper that you can now furnish to the committee, that will show what was done with those funds of your road?—A. No, sir.

Q. There is nothing anywhere in the world, that you know of, which, brought to the committee, would show that?—A. Mr. Stewart or Mr. Ames may have it; I don't know.

Q. But *you* cannot furnish the committee with any means of getting at it?—A. No, sir; and if I thought there had been anything done in the way you speak of, I would not have been in Washington; I had no idea of anything of that kind; there was no necessity for it at that time; it was not a measure that there was any opposition to in Congress. It was the local interests that made the fight. Saint Louis wanted the road, and Chicago wanted it, and the railroad interests of the country wanted to control the road as a feeder for themselves, and that was what made all the trouble.

Q. Then you have no reason to believe to-day that any of that money was used for the purpose of corrupting or influencing legislators or government officers; I mean in 1864?—A. No, sir.

By the CHAIRMAN:

Q. How was it in 1862?—A. I don't know of any. There was two or three millions of stock floating around here, and you could not tell who belonged to or anything about it; I know that a great many brokers in different sections of the country had it to sell.

Q. Do you know of Thaddeus Stevens having received any bonds or stocks of the Union Pacific Railroad?—A. I do not.

Q. Did you purchase any property from Thaddeus Stevens?—A. Never.

Q. Did you so report to the board of directors at any time?—A. Never. I said that I was offered by a broker some land property up in Pennsylvania, but that I would not go into the iron trade.

Q. Did you have any transaction of any kind with Thaddeus Stevens?—A. Nothing whatever.

Q. Did you authorize anybody to make any negotiations with him?—A. I did not.

Q. Do you know whether any were made?—A. I do not.

Q. And you have no knowledge of Mr. Stevens having received either stock or bonds of this company?—A. I have not any such knowledge.

Q. Do you know how the provision happened to get into the act of 1864, under which the Sioux City branch was made?—A. The Sioux City branch was in the act of 1862. The Pacific Railroad Company was compelled to build it. At the time our bill was before the House, I think Mr. Ames suggested to me—and I think that was the first time I ever saw him, though I may have seen him once before—he suggested to me that we could not carry Iowa unless we gave up that clause and gave it to an individual or a private corporation, and that he did not think we could carry Massachusetts.

Q. Had it been arranged at that time who should have the benefit of the change that had been made in the law?—A. I don't know; I asked no questions about it; I was rather annoyed that we should be compelled to give it up, as I thought, to the State of Iowa, when, as we were trying to get a terminus at their State line, they ought to be satisfied. I supposed it was some local road interest or something of that sort; I didn't know anything about it.

Q. Do you know when that provision got into the act of 1864?—A. I think it was put first in the House bill. There were five or six bills, and they were changed five or six times. I cannot tell, but I think it was put first in the House bill.

Q. Did it not first find its way into the bill in the conference committee?—A. O, no, sir.

Q. Are you quite sure of that?—A. Quite sure. If you look at the record you will find it so, I think. The conference committee put nothing in the bill that was not in one of the other bills.

Q. The bill had passed one branch of Congress, and had been changed in the other branch, and then it went to a conference committee?—A. Yes, it went to a conference for the last few days.

Q. Have you ever examined to see whether this provision relative to the construction of this Sioux City branch in the form in which it is now, ever was in that bill before it got into that conference committee?—A. I am sure it was. I think I recollect the bills pretty thoroughly.

Q. You have observed, I suppose, that the act of 1864 provides that the point at which the Sioux City branch shall connect with the Union Pacific road shall be determined by the company building it?—A. Approved by the President, I think.

Q. No; determined by the company building it?—A. That the point at which it shall connect shall be so determined, subject to the approval of the President; that was the first bill.

Q. Yes, the first bill contained that provision, but that is not the way with this.—A. I thought that clause was in.

Q. The point at which this Sioux City branch connects with the Union Pacific Railroad, is that east or west of Sioux City?—A. I do not recollect.

Q. State what, if anything, you know in relation to the payment of ... sum of money to any Government commissioner.—A. I only know ... I heard from the superintendent of the road. It was rumored at ... time that they had paid a Government commissioner $25,000. I ... coming down the road, passing through Omaha about that time. ... I went into the cashier's office, and asked to look at his books, and ... found a memorandum there which I took off, and on my return home ... addressed this letter to the president and treasurer of the company:

"NEW YORK, *December* 12, 1868.

"GENTLEMEN: I saw by the cashier's books at Omaha that a check ... $25,000 was given Webster Snyder, superintendent, for which the ... cashier held no voucher. In answer to my question he stated that Mr. ... Snyder promised to furnish a voucher next day.

"I am led to believe that this money has been used for improper pur... poses, and propose to hold the superintendent to strict accountability ... using the funds of the company, or making promises on behalf of ... the company without authority, but first desire to know if either of you ... have directly or indirectly given him any authority to make a bargain ... for the payment of money to any of the Government commissioners, or ... said anything to him that can be construed into a consent, on your ... part, that such thing might be done. I believe it to be bad policy on ... the part of this company to pay black-mail to any commissioner that ... may be appointed, no matter how much we may suffer by the delay, and ... strongly protest against its being done.

"Our road will stand on its merits when it comes fairly before the ... public or the Government, and we need have no fear as to the final de... cision of any practical commissioner on the character of the work.

"Yours, respectfully,

"THOS. C. DURANT,
"*Vice-President.*

"Messrs. OLIVER AMES, *President*,
"JOHN J. CISCO, *Treasurer*."

I find a memorandum that I made, taking it off the cashier's book: ... P. Blair, $3,500. That was simply his fees and mileage; he had not ... drawn his pay for several examinations. Snyder, $25,000. N. B. Bu... ell, $1,500.

Q. Did you authorize Mr. Snyder to make that payment of $25,000 to ... Bidell?—A. I did not.

Q. Did he consult with you about it?—A. He did not. I never knew ... it until after it was done. I had authorized Mr. Snyder sometimes, ... when the commissioners came down the road, and did not come this ... way, to pay their bills and draw on New York for it. We were a good ... deal troubled at that time with the commissioners. They were changing ... the commissioners, for politics or something else, every little while, and ... we had several of them out on the road. A gent from the "Intelligen... cer," or some paper here, named Snow, went out there as commissioner ... to examine the road, and we had considerable trouble with him. I be... lieve he did demand an interest in the coal company, and I immediately ... put on the telegrams to Washington, and they were taken to the Presi... dent and the Cabinet, I believe.

Q. Who was the President at that time?—A. Andrew Johnson. I ... learned that Mr. ——— ——— had been appointed one of the commis... sioners, and I at once addressed the following telegram to the President:

"UNION PACIFIC RAILROD COMPANY,
"*End of Track, October* 29, 1868.

"*To the President of the United States, Washington, D. C.:*

"One of the commissioners appointed to re-examine the Union Pacific Railroad, now completed, and also to examine the location of the line west thereof, has been for some time in the employ of this company as civil-engineer, and located that portion of the line above referred to; I would, therefore, most respectfully suggest that the commission be composed of entirely disinterested persons, believing their decision will be more satisfactory to the Government, to the stockholders, and to the public, and relieve all parties from unfriendly criticism.

"Respectfully, yours,

"T. C. DURANT,
"*Vice-President.*"

By Mr. HOAR:

Q. Mr. Snyder testified, in substance, if I correctly recollect what he said this forenoon, that Mr. Wendell made this demand on him for $25,000 as a condition of his making a favorable report, or as a condition of proceeding to report at all; that he informed you of the fact; and that your reply was, "I shall not authorize any such payment." He said, also, that you were there with him, and that the purpose which Wendell went there for was notorious. On being asked whether he should have made the payment if you peremptorily objected, he replied, "Hardly." He also made some other answers which indicated a belief on his part that you did object; but, if I have correctly recalled what he said, I have now stated the substance of it. What have you to say as to that?—A. I may have come down on the train with the commissioners, but I think I came down on the train after them. I heard something of this sort; it was mentioned as soon as I got to Omaha, and I went to the office. Mr. Snyder was not there, and I went to the cashier's book and took off this memorandum. I have a letter from Snyder on the subject, in reply to one that I wrote him about it.

Q. Did you state to Snyder that you would object to that payment before it was made?—A. I never heard of it until after it was made. So I never did.

Q. Did you ever have any conversation with him about it, or ever hear of it from him or any other person that there was any purpose on Mr. Wendell's part to receive, or on Mr. Snyder's part to pay to Wendell, any money other than as ordinary compensation as a commissioner?—A. I never intended he should receive any.

Q. The question is, whether you ever heard of any such purpose on either side?—A. I think Mr. Snyder or somebody on the line of the road said "Don't this mean black-mail?" And I said "I think not; if it does we won't stand it."

Q. Didn't what mean black-mail?—A. Their changing commissioners and sending out men who were not railroad men.

Q. Was that remark made in relation to Wendell's refusal to report unless he received compensation?—A. No; I didn't know that he had refused. It was made in regard to changing commissioners and putting in politicians.

Q. Did you take any steps to have Snyder turned out of office for that payment?—A. This letter that I wrote notifies the president and the treasurer; there was a good deal of complaint about that time of my assuming duties that belonged to the president any way.

Q. Did you take any other step to have him removed, except this letter?—A. No, sir; nothing except that letter.

Q. Have you a letter from Mr. Snyder in relation to this matter?—A. I have.

Q. Please read it.—A.

"UNION PACIFIC RAILROAD COMPANY,
Echo City, Nebraska, January 23, 1869.

"DEAR SIR: In reply to your letter of January 23, 1868, making inquiries as to voucher issued November 21, 1868, in favor of W. C. Lindsay, cashier, for $25,000 account cash paid for acceptance for road from eight hundredth to nine hundred and twentieth mile-post, I would respectfully state that draft on New York City for the amount was given C. Wendell, esq., United States commissioner, in consideration of his signing officially the report accepting as first class the Union Pacific Railroad, the points above mentioned. Having been cognizant of the transaction, I approved the voucher for the payment of the amount. I approved the voucher as herein specified without authority or direction from any person, but as superintendent of the road, and acting in my official capacity, in a manner as I deemed, under the state of financial affairs at that time, for the best interest of the company which I represent.

"Very respectfully,

"W. SNYDER,
"*General Superintendent.*

"T. C. DURANT, Esq."

By Mr. SHELLABARGER:

Q. How long did Snyder remain in the service of the road after that?—A. He gave up on the 24th of July, 1869.

Q. When was this money paid?—A. In November, 1868.

Q. In the final settlement with Mr. Snyder, was he charged in any way with that $25,000?—A. I do not know. That was not in my department. It was settled in Boston, after I was out of the road. I went out in May, 1869.

Q. And you don't know whether moneys were paid over to him after this transaction or not?—A. I do not know.

Adjourned.

WASHINGTON, D. C., *February* 3, 1873.

BENJAMIN W. SPENCE recalled.

By the CHAIRMAN:

Question. Have you now the original memorandum to which you referred in your testimony on your former examination?—Answer. Yes, sir. (Handing it to the chairman.)

Q. Is this paper which you have now produced the paper that was handed to you on which you made the checks and drafts of which you spoke in your former testimony?—A. Yes, sir, it is.

Q. Who made the figuring on the back of it?—A. Those are my figures.

Q. When did you make those figures?—A. They were made at the time.

Q. Have you made any alterations of any kind on this paper since it originally came into your possession?—A. Yes, sir; I think that I put

on it the item "$10 to Gorham." He was one of the clerks, and he came to me for $10; I was busy at the time, and could not enter the item on my book, so I put it on that memorandum.

Q. You made no change other than that you have spoken of?—A. No, sir.

By Mr. HOAR:

Q. You say that these figures on the back were made by you at the time?—A. Yes; it may have been that very day, but certainly within two or three days of the time, and most likely the same day.

Q. What is your recollection about it—that the figures were made on the same day or within two or three days afterward? Have you any memory on the subject or are you merely inferring?—A. My memory is, that the figures were made the same day.

Q. For what purpose did you make these figures on the back of the memorandum?—A. That I might be able to explain in case any of the directors asked questions in relation to it.

Q. Where did you keep this memorandum?—A. I kept it in my cash-drawer.

Q. Open to the inspection of everybody who went to the drawer?—A. Yes, sir.

Q. Did the treasurer have access to the drawer generally? A. No, sir.

Q. How long did the memorandum remain in your cash-drawer?—A. I cannot say, certainly; but I should say not longer than till the end of the month until I charged up that $10.

Q. What did you do with it then?—A. I kept it on a file of papers that I had in my drawer.

Q. How long did it remain there?—A. It has been on that file ever since; it was a file of private papers—papers relating to other matters than the Pacific Railroad business. I closed that memorandum in a wrapper and put it in that file.

Q. Did it remain there ever since?—A. Yes, sir.

Q. You did not leave it there when you left the employment of the company?—A. No, sir.

Q. You mean to say that it was there down to the time when you left the employment of the company?—A. Yes, sir.

Q. When was this copy made that you presented when you were last examined?—A. It was made just before I left Boston to come on here.

Q. What does that red letter "N" mean?—A. I had a number of private papers on file, and in order to designate them I had them all lettered. That letter is a mere matter of reference.

Q. Why did you not copy the writing that was on the back of the original memorandum when you copied the writing on its face?—A. I had the figures on another piece of paper which I produced here.

Q. What figures?—A. The figures that went to make up the amount of the $126,000.

Q. This memorandum you say was brought you by the person who gave you directions in regard to the checks and drafts?—A. Yes.

Q. Was that word "Dodge," and the letters "G. M. D.," and "C. S. B." on the original paper?—A. Yes.

Q. Do you know in whose handwriting that word "Dodge" and the letters are?—A. No, sir, I do not.

Q. You do not think they are in Mr. Williams's handwriting?—A. No, sir; I think not.

Q. When you brought on the copy of these figures the other day, why

did you not also copy what was on the back of the same paper? It seems to be very important.—A. I had the figures so well fixed in my mind that I did not think it necessary. I left in a hurry, and I produced another piece of paper here with a copy of the figures.

Q. When was that other copy made?—A. That was made the day I was here giving my testimony.

Q. When were those figures made?—A. They were made at the time, or within a week or so.

Q. How soon did the check go back from Mr. Wilson?—A. It came back at the end of the month when the bank-accounts came.

Q. What day was this transaction?—A. Ninth March.

Q. And you made what is on this paper within a week of that time?—A. Yes.

Q. If you made within a week of the 9th of March the writing on this paper, how comes it that you have put upon it "$19,000, James F. Wilson, collected by the Girard National Bank of Philadelphia," if the check did not come back till the end of the month?—A. That may have been afterward.

Q. Is not that evidently written at the same time with the other items preceding and following it?—A. Then I will explain by saying that I may have made that memorandum at the end of a month instead of confining it to a week.

Q. You would not have got your check-book until the end of the month or beginning of the next month?—A. The last day of the month the books are left to be balanced.

Q. You are now satisfied that you did not make this memorandum within a week, as you formerly testified, or, perhaps, on the same day?—A. Yes, sir; I should say within the month.

Q. Then your memory is at fault, so far as the time of making this memorandum is concerned?—A. Perhaps I spoke too quickly in saying a week, but I know that it was while the transaction was fresh in my mind.

Q. For what purpose did you make notes on this memorandum, additional to the figures that were on it when it was first brought to you?—A. For the purpose of being able to answer any question that might be asked me by any of the directors.

Q. And you say that these figures on the back of this original document were made at the same time that you made the memorandum on the other paper?—A. Yes, sir.

Q. And you made this copy when you started to come on here?—A. Yes.

Q. And did not copy that?—A. No, sir, I did not; but I had the figures on another slip of paper which I handed in here.

By Mr. SLOCUM:

Q. Mr. Bushnell was there at the time, and you gave part of those drafts to him?—A. Yes, sir.

Q. Are you positive that you did not give the check for $19,000 to Mr. Bushnell?—A. I did not give it to him. The $19,000 check went out of my hands to Mr. Wilson.

Q. Suppose Mr. Bushnell should appear here and swear that he took that check from you, would you not think that you were mistaken?—A. No, sir; although it may not have remained in Mr. Wilson's hands more than a minute, or half a minute.

By Mr. HOAR:

Q. Do you know what Mr. Wilson did with it?—A. No, sir; I took

no notice. Mr. Bushnell, Mr. Dodge, and Mr. Wilson were all standing at the left of my desk.

Q. How came you to give that $19,000 check to Mr. Wilson and not to Mr. Bushnell?—A. I am sure I do not know. He may have been standing ready at my desk, seeming to want it, and I may have handed it to him for that reason. He may have taken it to look at it.

Q. Are you able to state whether Mr. Wilson put that draft in his pocket-book, or moved away from you, carrying it with him; or whether he passed it along to the same person to whom you had given the other checks, both being standing near you?—A. I have no knowledge as to that at all, because I gave my attention right away to the figurings on my check-book, and I took no notice of what was done with the check.

Q. But you do know that this check came back from a different bank from that which the check that you gave to Mr. Rollins came back from, or that Mr. Dodge's check came back from?—A. Mr. Rollins's check came back from a bank in Concord, New Hampshire.

Q. Where Mr. Rollins resides?—A. Yes, sir.

Q. And the $19,000 check came through the Girard National Bank of Philadelphia?—A. Yes, sir.

Q. And the $24,000 check that you say was given to Mr. Dodge came back through the National Bank of the State of New York?—A. Yes, sir.

By the CHAIRMAN:

Q. When did I understand you to say that your connection with the board of trustees terminated?—A. About the middle of May, 1871.

Q. Were you familiar with the books of the board of trustees up to the time you ceased to act for them?—A. Not very; because it was a little out of my line of duty. What acts I performed in that capacity were under a power of attorney given to me by John A. Rice, assistant treasurer. I did not keep their books.

Q. What books of that board of trustees is it necessary to procure or to examine in order to ascertain what the work under the Oakes Ames contract and the Davis contract cost the trustees?—A. It would require the New York books in connection with the Boston books.

Q. Have you any knowledge as to the reliability of the estimates made by the engineers of the Union Pacific Railroad Company on which contracts were let?—A. No, sir.

Q. Did you ever make any balancings of the trustees' books at Boston; did you make up any balance-sheet or paper of any kind showing the cost of the road to the trustees?—A. No, sir.

Q. Do you know whether any such balance-sheet was ever made up?—A. Not to my knowledge.

WASHINGTON, D. C., *February* 3, 1873.

C. S. BUSHNELL recalled.

By the CHAIRMAN:

Question. Do you recollect being at a meeting of the board of directors of the Union Pacific Railroad Company held in Boston on the 8th and 9th of March, 1871, when an item of $126,000 was under investigation?—Answer. Yes.

Q. Were you one of the committee to investigate that account?—A.

hardly think I was one of the committee. I was with the commit-

Q. Were you present at the time that $126,000 matter was investiga-?—A. Yes, sir.

Q. State to the committee whether any vouchers were presented to committee at the time the matter was investigated; and, if so, character of those vouchers?—A. No vouchers were presented. was based on a statement of my own, which I will make here without any hesitation, and with a great deal of pleasure. I will have go back a little, and state the reasons why the committee came to conclusion.

In December, 1870, after the action of the Secretary of the Treasury, securities went down almost out of sight, and we had not the money had to pay the interest on our first-mortgage bonds, due on the 1st January. We had expended the money, some $700,000, in building commencing the building of the Omaha bridge. We had no collat- on hand to raise the money, except a 10 per cent. bridge-bond, of which two and a half millions were issued, and it was almost impossible raise any money on them. Some of our directors, nearly all of them, were strongly inclined to the opinion that the money could not possibly be used to pay the interest on the first-mortgage bonds. I had an immense amount of Union Pacific Railroad stock which I had bought myself had kept and loaned out, and I could not afford to have it utterly . One or two of the directors were urging strongly that we should make no effort to raise the money to pay the interest, but to let the bonds go by default. The majority, however, were very anxious to pay the interest and were willing to indorse the notes of the company. five or six of them offered to indorse the notes of the company for three four months, provided we would put up these bridge-bonds at 50 cents the dollar. I took these indorsements on the notes of the treasurer the bridge-bonds and went to New York and raised the money to pay the interest. I indorsed the notes myself, and became involved to amount of six or seven hundred thousand dollars. I raised the money and we paid our interest. Of course I went to work at once to how we could provide the means to pay these notes at maturity, by selling of our bridge-bonds and our land-grant bonds, and thus to get the company out of debt. I went to Philadelphia and had two or three interviews with Colonel Scott and J. Edgar Thompson, who said to me that if I would make some arrangement whereby the company could be got out of debt they would take hold and advance me a large amount of money to carry the securities, but on no other condition than that the company should be relieved of its floating debt, and provision made for the building of this bridge across the Missouri River. I came home and sat down and figured up the prices of the securities. The land-grant bonds were 54, 54½, and 55 in the market; and the best we could realize on the bridge-bonds was 50 cents on the dollar, which left a debt more than a million dollars to complete the bridge after we could sell the bonds at that rate. It was a very extreme case and required very extreme and extraordinary effort. I went on to Boston and made a proposition to the company to buy the $2,136,000, or thereabouts, of the land-grant bonds. They were then selling in the market at 54 or 55, and proposed to buy them for myself and those who were associated with me, 70 and accrued interest, which was equal to 72½, and I proposed to buy the two and-a-half million of 10 per cent. bridge-bonds at 80 and accrued interest. Of course that was far above the market price, but it was absolutely necessary to buy them at that high price in order to

pay the floating debt of the company. They accepted my proposition. I was to pay for the land-grant bonds as the loans matured. These loans were running for thirty, sixty, and ninety days, and four months. I started instantly, after they accepted my proposition, for Philadelphia, and made an arrangement for money with Colonel Scott, and drew for five or six hundred thousand dollars on New York. As soon as I received the money I started for Washington. I came here mainly, almost entirely, to secure legislation of Congress, whereby the Union Pacific Railroad Company should be authorized to place a mortgage on the bridge between Council Bluffs and Omaha, which would make the bonds better security so that I could dispose of them. I found that without that it was utterly impossible to do anything with them. I arrived here and undertook, myself, to present the case, as I always do. I met the Iowa Representatives here, and they said to me frankly that there was a good deal of jealousy between Iowa and Nebraska, between Council Bluffs and Omaha, about that bridge, and that they would not move a hair's breadth, and had been requested not to move, until General Dodge should confer with them. I saw that there was nothing for me to do but to telegraph General Dodge, at Council Bluffs, to come on, which I did, stating that I would pay all his expenses, and that I would pay him for his trouble. He came here and met me. I told him what I wanted. He at once said that he had borrowed every dollar of money he could get on his Union Pacific stock, along in the summer or fall, in New York, in order to carry on his business—I think some pork-packing business—and that that damned Boutwell ring in the Union Pacific Railroad had ruined him; that his brokers had sold him out and he was ruined. I said, "I cannot help that, but do you go to work and help me to carry this bill through, and I will pay you for your expenses and time and trouble, and make up all that you have lost." He went to work, (everybody knows how General Dodge can work when he sets out,) and in less than ten or fifteen days we had the bill through Congress just exactly as we wanted it, and just exactly right; and I believe nobody has found any fault with it. We settled up all the difficulties between Omaha and Council Bluffs for the time, although I believe they have broken out since. That was my principal business here at that time. I did take a little interest in the matter of legislation that was going on, but very little. The principal interest I took was to get and have printed and distributed, and presented, the opinions of the best lawyers in the country, and the reports of the committee, and all that sort of thing. I never had any fear then (and I told all our people so, and my act in buying those bonds at 17 or 18 or 19 above the market price showed it) that on reflection the Government of the United States would repudiate its contract with the Union Pacific Railroad Company. I knew just what that contract was. I would not spend a single dollar to influence Congress to do what is right, for Congress is quite sure to find out what is right; but I did spend a little money, a very little money, in having printed these reports, and in giving them to everybody where they could be of service.

Now as to the $126,000. We went home to Boston, and had our annual election; but before I went it became evident to myself that I could not carry out this purchase, and take up these securities, without help from the company. I said so to Colonel Scott. I could not pay him back the money which he had advanced me without some help, for I had given from half a million to a million dollars more for the securities than they were worth in the market. He said that we would fix that up when we got to Boston, but that he must have a little of it

...y returned to him. We had a committee appointed; I went before ... committee and stated the case—that I had promised General Dodge ... him good; that he had lived up to his contract, and I wanted ... up to mine. He figured up what he wanted for his services, and ... would make good his losses, and I agreed to pay it. This was ... It is possible that I gave him something more afterward, but ... I cannot say. I gave him that amount at that time. Colonel Scott ... a payment on account, as he was short. I asked him how much ...ted, and he said $19,000 or $20,000. I took the lower sum, and ... him $19,000. The balance of the $126,000 I handed over at once ... treasurer of the company, in payment for bonds which I got that ... him to take to New York. There is only one account in the ... matter, the circumstances of which I cannot distinctly remember. ... that Mr. Rollins was here, and that I borrowed a little money ... him. It did not seem to me that I borrowed as much as $2,500, ... may have done so, for I know that I handed him over a draft for ... I cannot recollect the details about it.

Q. Have you any recollection of Mr. Rollins borrowing $2,500 from Mr. ... for you?—A. I would not wonder if he did. I borrowed some ... myself from Mr. Ordway, and very likely he did.

Q. Is there any further explanation that you desire to make?—A. No; ... not know that there is.

Q. For what consideration did you pay General Dodge this $24,500, ... moneys of the Union Pacific Railroad Company?—A. For his ... and expenses in aiding me in procuring the passage of this ... mortgage the bridge over the Missouri River; solely that and ... more, as I understand it.

Q. On what account did Mr. Scott want this $19,000?—A. On my ..., due to him. I had borrowed several hundred thousand dol... to carry those securities which I had purchased.

Q. And it was on that account that you paid him the $19,000?—A. ...

Q. You say that you turned over the balance of the $126,000 to the ... Pacific Railroad Company in payment for the bonds?—A. Yes.

Q. This $126,000 came out of the treasury of the Union Pacific Rail... Company?—A. Yes.

Q. In what way did the Union Pacific Railroad Company get com... for that $126,000?—A. The only real compensation that it ... in enabling me to carry out my contract and to take its securi... from half a million to a million and a half dollars above the market ...

Q. The company simply gave you a bonus of $126,000 on that con... which you had made to purchase its bonds and these bridge... Is that what it amounted to?—A. I do not know that you can ... in much better shape than that. It was of course to pay my ... in doing it, legal and otherwise.

Q. You had purchased the bonds from the treasurer at a definite price ... yourself and your associates?—A. Yes.

Q. And the Union Pacific Railroad Company afterward gave you ... to help you on with your contract which you had made. Is ... your understanding of it?—A. I should not put it in that way, but ... expression covers it very well.

Q. That is the substance of it?—A. That is it essentially.

Q. Then you will explain to the committee how it happened that this ... charged up to special legal expenses? What legal exponses were ... about it that would cause it to be put on the books of the com-

pany in that particular form?—A. That was simply a little error, probably in writing the resolution. I called my part special expenses, and I called General Dodge's part, although he is not a lawyer, legal expenses.

Q. What were General Dodge's relations at that time to the Union Pacific Railroad Company?—A. He was pretty sore toward it at that time.

Q. Was he chief engineer at that time?—A. No, sir; I think he was a director at that time.

Q. General Dodge was one of the committee to settle that account, was he not?—A. It is my impression that he was.

Q. Do you know his handwriting?—A. I think so.

Q. (Showing the witness the report given in the testimony of E. H. Rollins.) Is this report, which was made to the board at that time, in his handwriting?—A. I think it is.

Q. Who received the $19,000 check?—A. I received all the checks myself.

Q. Who were present at the time you received them?—A. I do not recollect anybody being present in the cashier's room except Mr. Williams, Mr. Spence, and the clerks. Mr. Spence was one of the clerks. Mr. Williams, I think, handed them to Spence, and Spence handed them to me. I handed General Dodge his and Colonel Scott his; I do not recollect distinctly about Mr. Rollins, but probably I handed him his. The balance I handed over to Mr. Williams.

Q. You received $82,500. What was the object of dividing that sum into three different drafts?—A. These land-grant bonds were hypothecated in different places and for various amounts. To get this money to pay we had to get bonds, and in order to get the bonds we had to pay money. So far as I recollect, these particular drafts were payable in the different places where the bonds were.

Q. Do you recollect whether the bonds were in the banks on which the drafts were drawn, or did the bonds accompany the drafts?—A. The bonds were scattered around in the banks in New York and in Boston. I took the drafts and took up the bonds, and let the bonds go forward with the drafts. They went on frequently with the drafts, and sometimes without them.

Q. In this particular instance did the bonds go forward with the drafts?—A. That I do not recollect; that thing did occur frequently.

Q. Look at this memorandum [as presented in the testimony of R. W. Spence] and state in whose handwriting these figures and words are.—A. I cannot tell that.

Q. Are they in yours?—A. I would not say that they are not, but still I cannot say that they are.

Q. What is your best impression about it?—A. I do not think they are mine.

By Mr. HOAR:

Q. I understand you to say that previous to this transaction you had engaged to purchase from the Union Pacific Railroad Company certain securities?—A. Yes.

Q. Did you at that time make your contract in writing?—A. I hardly think it was in writing.

Q. With whom did you make any such agreement or contract?—A. I think with the executive committee of the Union Pacific Railroad Company.

Q. What members of it; what persons?—A. Oliver Ames, Mr. Duff, Mr. Dillon. What others I cannot recollect now.

Was there anything in the bargain except an agreement on your to purchase these securities at the prices you have named?—A. to pay for them as the loans matured; that is all.

To what persons connected with the Government or the Union c Railroad Company did you, at the time of this approval of the ,000, explain or make known how it was made up?—A. I declare I ot recollect anybody.

You said that you made a statement; to whom did you make it?— To the board of directors.

Did you explain to the board of directors how this $126,000 for l expenses was made up?—A. Not in detail.

Did you explain the nature of the transaction as you have ex- ed it here?—A. Not as fully.

Did you to anybody?—A. No, sir.

By what authority did you take from the funds of the Union Pacific road Company this sum of $126,000 and charge it to special legal nses?—A. By the same authority that I gave them half a million rs more than the market price for the securities when I bought m.

I want to know who authorized the payment to you of this sum of ,000, so far as you know?—A. The board of directors appointed committee.

Were you one of that committee?—A. No, sir.

To what members of that committee did you explain that trans- n?—A. To the president of the company.

Mr. Oliver Ames?—A. No, sir; Mr. Scott.

To any other person?—A. Yes; to General Dodge.

Was General Dodge a director in the company at that time?—A. ; and he was on this committee. I do not think that the other bers of the committee took any action at all or attended.

You had no previous promise from the company by which you were paid this $126,000?—A. I think it was a matter of conversation several of the directors that I might need help, and that if I did uld have it.

You took this $126,000, and the only persons to whom you ex- ed why you did it were Mr. Scott, who you say had $19,000 of it, Mr. Dodge, who you say had $24,500 of it?—A. Yes.

And you three were the three gentlemen who knew about it, and charged it to special legal expenses?—A. Special and legal was the erstanding.

Mr. Dodge's report seems to agree with the charge upon the books. ays: "The special committee of the board to which was referred matter of auditing *special legal expenses*."—A. The record may not been properly copied, but I know it was *special and legal*.

The phrase, "special legal expenses," is found first in the resolu- of the directors appointing the committee, then in the report of eral Dodge, and then on the ledger. It seems to be a permanent —A. Yes; but the first mistake was in writing the resolution, the others all followed naturally.

Why mix up an item for legal expenses of $24,000, or whatever it with this item of yours for getting help from the company on ac- t of the contract which you had previously made?—A. This was an ular meeting of the board, and there would not be another for months. This was the proper time, if at all, that I should have ed.

But it was not for your relief that General Dodge was paid his

bill, was it?—A. Of course it was. I became obligated to General Dodge personally, without any prior authority from the board, and of course I wanted to have that fixed.

Q. Did it not occur to you that it would have been better practice in the management of the company not to refer the propriety of the payment of $126,000 from its funds to the three gentlemen who were to receive the money, and who did not explain the nature of the transaction to anybody else?—A. I was not aware that I was on the committee.

Q. But you say that you and these two gentlemen were the only persons who acted?—A. I presented the case, and those gentlemen should have presented it to the other members of the committee. Mr. Wilson was not here through the entire Congress.

Q. None of them served on the committee, so far as you know, except Scott and Dodge?—A. No, sir.

Q. Did it occur to you that it was rather bad practice in the management of the funds of a corporation that a transaction of this kind should be only disclosed to the two gentlemen who were to receive so large portions of the funds, on the statement of the third gentleman, who received the remainder, and that nobody else in the direction of the company knew anything about it?—A. The thought of such a thing did not occur to me; I knew that it was perfectly just, and fair, and equitable.

Q. Here seems to have been a division, [referring to the memorandum.] Here are the figures "7,000" and "7,500," and the letter "L" opposite the 7,000. Can you give us any explanation what that means?—A. (Examining the memorandum.) No; I do not know.

Q. Do you know whether Mr. Wilson was present during any part of this transaction?—A. I do not recollect that he was present at all.

Q. In what form did you give Mr. Scott his $19,000—in cash or in a draft?—A. In a check. I turned right over to him the check which Mr. Williams gave.

Q. Who handed you that check?—A. Mr. Spence, I think, handed all the checks to me.

Q. That is a question of some importance, and therefore I wish you to distinguish carefully between what you can say you now remember, and what you can think the transaction should have been. Have you any memory on the subject?—A. My memory is clear that all the checks were handed over to me by Spence.

Q. That is, you have in your memory now the incident of receiving all the checks from him in the office that day?—A. Yes; receiving them all, and handing one over to General Dodge, another to Mr. Scott, and the others to Mr. Williams.

Q. Do you know of any division of any portion of the money into seven parts for any purpose?—A. Not the least. I never heard of such a thing before.

Q. Do you know of any dividing of the $17,500 into seven parts of $2,500 each, and adding thereto $7,000 as a part of that transaction?—A. No; not at all.

Q. Did anything occur in reference to it that would explain it?—A. Not a thing.

Q. Was there any use of the money that would tend to explain or give you a hint upon why the letter "L" is written opposite the $7,000?—A. Not the least.

Q. Do you know of making up in any way as a part of this sum the item of $43,841.09?—A. Not the least. I reduced the interest on these two and a half million ten per cent. bridge bonds, in the bill that passed Congress, to eight per cent., and I told Colonel Scott that it was little

enough for me to expect, after saving the company $100,000 in two years' interest, that the company should help me.

Q. Look at this signature of General Dodge to the report and compare it with the letters "G. M. D.," and the word "Dodge" on this little paper produced by Mr. Spence, and state whether they seem to be in the same handwriting.—A. Yes; I should think so.

Q. You think they are in General Dodge's handwriting?—A. Yes.

Q. Look at the figures "1871" in the report and the figures on this paper and state whether they seem to be in the same handwriting.—A. Precisely.

Q. Can you explain in this little memorandum, which appears to contain words and figures in General Dodge's handwriting, these figures to which I have called your attention, and to which I now call your attention—the figures "25" and then the figure "7" below, and then a line indicating that 25 is multiplied by 7, and then the figures "175" below as the product? Can you explain that as connected with this transaction?—A. They had no connection with it that I can conceive.

Q. Can you explain the figures "7,000" followed by the letter "L"?—A. No, sir; I do not think that I am as good at hieroglyphics as some people. I cannot conceive what they are for.

Q. I desire to call your attention to the precise point the committee has to deal with. Mr. Spence says that that memorandum was given to him by one of the persons who directed him to make the checks, and that bit of paper was his guide, to some extent, in doing so, and that he handed to Mr. Wilson, and not to you, the check for $19,000, differing from you in that particular; now, the question is this: If this appears to you to be a memorandum given by General Dodge, how can you, in your narrative of the transaction, explain it? That is the point to which I wish to call your attention and to ask you to make such explanation as you can.—A. I should be most happy to if there was anything by which I could refresh my memory. But the whole transaction was as simple as anything could be. I had had the interest cut down from 10 per cent. to 8 per cent. for the benefit of the company and for Bushnell, too, for I never lose sight of myself in working for other people. I had had that interest cut down from 10 per cent., which seemed to me to be enormous, to 8 per cent., and thus saved the company every year $50,000. I remarked to Colonel Scott that I had a big load on my shoulders—that I didn't know whether I could carry it through, but one thing was certain, that I must have $100,000 as a margin to help me place those bonds. He thought it only fair to take two years' savings in interest on those bonds and give it to me. It had already cost me $150,000 cash. I had sent two men to Europe.

By Mr. SLOCUM:

Q. Do you know why it was that Mr. Duff did not go into that committee?—A. I think I had said to Mr. Duff, prior to that, that I must have some aid, some help, and Mr. Duff replied that he was willing to consent to it. I suppose he felt that on that account he was committed to some extent, and didn't want to act on the committee.

Q. Do you know why Mr. Wilson did not act?—A. The Government directors are the most squeamish men that ever lived about taking any responsibility. We had always to take the responsibility, except when we started to build the road. Mr. Jesse Williams took some responsibility in showing us how the road ought to be built, and it cost us five or ten millions of dollars by reason of his taking that responsibility.

Q. Can you conceive of any reason why any of those persons should

think that that money was improperly used?—A. It is barely possible, and I am very frank about it, that I had told them I had agreed to give General Dodge some compensation. They perhaps thought it was too liberal, and didn't want to act upon it. Mr. Wilson was a friend of General Dodge, and perhaps didn't want to have it said that he was on the committee.

The committee here took a recess until 2 o'clock.

On the re-assembling of the committee Mr. Bushnell's examination was resumed.

By Mr. SHELLABARGER:

Q. You have stated the relations you sustained during the years 1870 and 1871 to the Union Pacific Railroad Company.—A. I was a director.

Q. What is the date, so far as you recollect it, of the issue of the bridge-bonds about which you have testified to?—A. The 10 per cent bonds?

Q. The first bonds that were issued?—A. They were issued in the latter part of the year 1870; that is my memory.

Q. Were they the bonds of the Union Pacific Railroad Company as such?—A. Yes, sir.

Q. They were the bonds of the company bearing 10 per cent?—A. Yes, sir.

Q. What fund were those bonds to be payable out of?—A. They were nominally or really, I don't know which, supposed to be a mortgage or a deed of trust on the bridge, and were to be paid out of the proceeds of the earnings for freight and traffic and transportation of passengers over the bridge. Those bonds, if I remember rightly, also provided for a sinking-fund.

Q. Have you a copy of any one of those bonds that you can furnish the committee?—A. I have none in my possession, but I think I can get you one if they were not all destroyed when the new issue was substituted. I can get you the resolution upon which they were issued.

Q. Was the obligation which the bonds contained one that limited the liability of the Union Pacific Railroad Company in their payment to those specific proceeds, or did the bondholders become entitled to go against all the assets of the Union Pacific Railroad Company?—A. My impression is that the only remedy was against the earnings of the bridge.

Q. Now what amount of those bonds were out at the date you made the purchase you have spoken of?—A. Fourteen to sixteen hundred thousand dollars of them had been issued and hypothecated with the notes of the treasurer, to raise money to pay the interest on the 1st of January, 1871.

Q. That is to say, the Union Pacific Railroad Company obtained loans and gave these bonds as collateral to raise money to the amount of $1,600,000 or about that sum?—A. Yes, sir; the amount of the bonds was fourteen or sixteen hundred thousand dollars; the money raised on them was about seven or eight hundred thousand dollars.

Q. Where did the company raise that money on this collateral?—A. I raised most of it myself in New York, but we could not raise it on these collaterals alone; the notes of the treasurer were indorsed by John Duff, Oakes Ames, Oliver Ames, J. M. S. Williams, Sidney Dillon, and myself.

Q. When did you get that accommodation for which this collateral was pledged?—A. I got that accommodation from the 28th to the 30th of December, 1870.

Q. Under what authority of law were those bridge-bonds issued?—A. Under the general authority in the charter.

Q. The act of 1864?—A. Yes, sir.

Q. What section contains that general authority?—A. I think it is under the general authority; if not, it is a general law; but I think it is the charter. I cannot turn to the section.

Q. The bonds purported to be secured by a mortgage, you say?—A. A mortgage or a trust-deed. I do not know just the legal term.

Q. Was that mortgage or trust-deed executed and put upon record before the date of your purchase of the bonds?—A. I do not know with regard to the placing of it on record. The new one, I think, was, but I do not remember about the first one. I doubt whether it was placed on record.

Q. Then those bonds were issued to this amount, and pledged as collateral for a loan in New York, and this trust-deed or mortgage, whichever it was, was provided for and stipulated for prior to the passage of the act of 1871, which you have described as the one General Dodge got through?—A. Yes, sir.

Q. There was no authority for it, unless it was the authority contained in the general provisions of the charter; there was no special authority, was there?—A. No; only the general grant.

Q. When was it that you made the purchase of a million and a quarter of securities, I think you said, above their actual value?—A. That was in the month of January.

Q. After they were deposited as collateral in New York?—A. Yes, sir; after we raised the money and spent it, I began to think how we could get it to pay again, so that these notes would not go to protest.

Q. I believe you said that that contract was a distinct, well-understood, and defined contract on your part, whereby you purchased bonds that belonged to the Union Pacific Railroad Company to the amount of what sum?—A. Two million five hundred thousand dollars in bridge-bonds, two million one hundred and thirty-six thousand dollars in land-grant bonds.

Q. At what price each class?—A. Eighty per cent. and accrued interest for the bridge-bonds, and 70 per cent. and accrued interest, which, at the time I made the purchase, made it 72½ per cent. for the land-grant bonds.

Q. What did you do with those bonds after you bought them; were they delivered to you?—A. I had already hypothecated fourteen or sixteen hundred thousand dollars of the bridge-bonds to raise money. The land-grant bonds were already hypothecated on a loan of twelve or fifteen hundred thousand dollars, probably in fifty different places, the loans running all the way from ten days to four months. My contract was to take up those bonds and pay for them as fast as the loans matured, so there would be no loss of interest. It took, I think, four months before all these bonds came into my possession. The company having paid the interest in advance on these loans, didn't wish to lose it.

Q. I desire to ask one question about this memorandum. Please look at it again and see whether the 7 multiplied into 2,500, producing 17,500, and added to the 7,000, is not the way in which the 24,500 was made up that General Dodge drew?—A. Yes.

Q. Now is it not a fact that the amount that General Dodge got was arrived at by taking that 7,000, which stands with "L" opposite it, and adding it to the 17,500, which is obtained by multiplying 2,500 by 7, producing, all together, 24,500?—A. Yes, sir; on that basis it would appear so.

Q. Can you tell us how General Dodge came to be entitled to the 24,500 unless you are able to explain how the 2,500 came to be multiplied by 7?—A. Well, I do not like to testify to a thing I don't know, but my impression is, and yet I may be entirely wrong, that this is his loss on 2,500 shares of stock, Union Pacific stock. That is my memory.

Q. Seven per cent. loss on 2,500 shares of Union Pacific stock?—A. That is my impression. I think I had agreed with him to guarantee him against any loss, and he came up to me and asked me to carry out my promise.

Q. Then he had suffered a loss of 7 per cent. on 2,500 shares?—A. Yes, sir.

Q. Then how do you explain the 7,000 part of it with the "L" opposite it?—A. My explanation is that he thought that little enough to pay his expenses and services in the matter.

Q. (By Mr. HOAR.) Does the "L" stand for little enough?—A. Probably so. (Laughter.)

Q. I see this act, which you say General Dodge was efficient in getting through, provides "that for the more perfect connection of any railroads that are or shall be constructed to the Missouri River at or near Council Bluffs, Iowa, and Omaha, Nebraska, the Union Pacific Railroad Company be, and it is hereby, authorized to issue such bonds, and to secure the same by mortgage on the bridge and the approaches and appurtenances, as it may deem needful to construct and maintain this bridge over said river, and the tracks and depots required to perfect the same, as now authorized by law of Congress." Now, you observe that this act authorizes the issuing of bonds and the giving of a mortgage. How came that provision to be put in the law in regard to bonds which you had already issued and secured by a mortgage or deed of trust? Or, in other words, how came you to issue bonds and sell them at a sacrifice, when the law which you say authorized their issuance was not in existence? I allude to the law of the 24th of February, 1871.—A. It was because that without that law they could not get fifty cents on a dollar for them.

Q. The railroad, however, seems to have issued a very large amount of bonds when there was no law to authorize their issue, and then sold them to you at a very great discount, and which you say was still too high. How came that to be done before there was any law authorizing those bonds to be issued?—A. I did not intend to say before that there was any authority to mortgage the bridge; only the common law that any company may have the right to mortgage its property, which mortgage would come in without authority of Congress behind all prior mortgages. Mr. Sidney Bartlett, of Boston, a very able lawyer, worked more or less for two years to get up a deed of trust, under which our people felt as all safe to buy these bridge-bonds. Our negotiations were long and tedious to get any one to take hold of those bonds, and no one would take hold of them, because they were represented as no better, to say the least, than the income-bonds, which were then selling in the market at 30. When I bought these bridge-bonds the income-bonds were selling at 30, and Mr. Bartlett frankly said that the trust-deed was the best thing he could do; that it might and might not hold water and hold the earnings of the bridge as against prior mortgages. He did not have any faith that I could go to Congress and get legislation, and I do not think that many of our people had much hope, either. I thought it was only right that we should have the legislation. If any of you gentlemen have been over the road, as I have time and again, you will acknowledge that the Missouri needed a bridge the worst of any river in the

eld. I had my whole soul enlisted in having a bridge there. I think
one of the ablest things I have ever done. I took those bonds at
when the income-bonds, that our people said were just as good, were
ing at 30.

Q. Please state whether an additional claim made by the parties in
erest to construct the road under the Oakes Ames contract, and
ich was based upon the rapidity with which the work was done and
other causes, was allowed and paid by the Union Pacific Railroad
mpany?—A. My memory is that there was.

By Mr. HOAR:

Q. I would like to ask you in relation to this transaction of the checks.
d Mr. Spence give you the checks to take in to Mr. Rollins for him to
dorse?—A. My memory is that it was all done at Mr. Spence's desk.
eir desks were almost adjoining.

Q. Whose desks?—A. Mr. Spence's desk and Mr. Williams's were
ar together, and Mr. Rollins's desk was two steps off into another
om.

Q. Then Mr. Spence and Mr. Williams had their desks in the same
om, and Mr. Rollins's desk was a step or two off, but through an open
or?—A. Yes, sir.

Q. These checks are in the first place signed in blank by Mr. Williams,
treasurer, as I understand it, then filled up by Mr. Spence, his as-
tant and cashier, then indorsed by Mr. Rollins, and then indorsed by
Spence. Now, did you not take these checks to Mr. Rollins for his
dorsement?—A. My memory is that they were perfect when they were
ded over to me—all indorsed.

Q. Did you not take them from Spence to Rollins?—A. I might have
ne so, but my impression is that I took them from the high desk used
Mr. Spence. There were three or four checks coming to me—the
,000 check went to Colonel Scott and the $24,500 check to General
dge.

Q. You have no recollection, then, of Mr. Rollins receiving them after
y were first filled up by Mr. Spence. How did Mr. Rollins's name
on them, as you remember the transaction?—A. As I remember the
nsaction the indorsements were all on when I received the checks.
y came to me all perfect; that is my recollection.

Q. Do you know whether Spence went into the Secretary's room, got
m from Rollins and brought them back while you, Dodge, and Will-
ms were waiting at his desk?—A. No; that is entirely outside of my
mory. Do not understand me to say that it is not so, but simply that
ve no recollection of it.

Q. Then, according to your recollection, Mr. Rollins didn't deliver the
ecks to the parties for whom they were intended?—A. That is my
llection.

Q. Do you know whether Rollins knew for whom they were intend-
?—A. I do not.

Q. Did you give Mr. Dodge the check on the day of the transac-
n?—A. Yes, sir.

Q. And the check to Colonel Scott?—A. Yes, sir.

Q. You didn't send their checks to them by mail or express?—A. No,

The examination of the witness was here temporarily suspended for
e purpose of recalling Mr. Spence, who was examined by Mr. Hoar as
llows:

Q. Where was Mr. Scott at the time of this transaction?—A. I do not

recollect Mr. Scott being in the office at that time. He had been there in the morning, but I do not think he was present when I handed the checks to Mr. Bushnell.

Q. How are the checks drawn by you in the usual course of business?—A. The checks are signed in blank by Mr. Williams and made payable to my order. I fill them out from time to time, when necessary, indorse them, and then send them to Mr. Rollins for his indorsement.

Mr. BUSHNELL'S examination was resumed.

By the CHAIRMAN:

Q. Do we understand you to say that you bought the first issue of the Omaha bridge-bonds from the Union Pacific Railroad Company?—A. Yes, sir.

Q. And that was before the passage of the act authorizing the bridge to be mortgaged to secure the bonds?—A. Yes, sir.

Q. Did the passage of that act enhance the value of the bridge bonds?—A. It did in my estimation, very largely.

Q. You received this $126,000 on the 9th of March, 1871?—A. Yes, sir.

Q. The act authorizing the mortgage of this bridge was passed 24th of February, 1871?—A. I do not know the exact date.

Q. Now, having procured the passage of that act, which, as you say, greatly enhanced the value of the bonds, what reason was there for the Union Pacific Railroad Company, of which you are one of the directors, giving you a bonus of $126,000 upon that occasion?—A. Well, sir, I had reduced the interest from 10 to 8 per cent. You will have, in order to appreciate my motive, to understand my object in buying those bonds, which was to pay off the floating debt. When we had secured this legislation, and the interest had been reduced from 10 to 8 per cent., thereby saving $50,000 a year to the company, it seemed then to me that it was but just and equitable that the company, being then able, should help make me good for the large sacrifice I had undertaken.

Q. You were the *bona-fide* holder of these bridge-bonds for yourself and your associates, were you not?—A. I held them for myself. I bought them as C. S. Bushnell, agent, but I was the sole owner of them.

Q. What was the amount of them?—A. Two and a half millions and over.

Q. And you were sole owner of these bonds?—A. Yes, sir.

Q. Owner of the bonds bearing 10 per cent.?—A. Yes, sir.

Q. And you voluntarily reduced the interest to 8 per cent.?—A. Yes, sir.

Q. And in consideration of that you received $126,000?—A. Yes, sir, $100,000 in round numbers. I had to pay something to Dodge out of that. I have only regretted since, and I think it would have been more than equitable, that the company did not allow me a little more. I think I ought to have had more.

Q. Did you have any expenses to pay out of that $126,000 besides what you paid Dodge?—A. I had to pay to carry those bonds. I, of course, could not carry them, and I had to pay for it liberally.

Q. That was interest?—A. Interest, commissions, and everything of that sort.

Q. Did you pay anything to agents besides what you paid to Dodge?—A. What do you mean by agents?

Q. I mean to distinguish between payments for interest and commissions in getting these loans, and payments for any purpose in getting this legislation through?—A. No, sir; none connected with the legisla-

tion. I sent agents abroad to dispose of those bonds. They were all legitimate expenses that every one will find himself obliged to incur when he has to work off $4,000,000 of bonds. It cost me more than I anticipated.

Q. I hand you here the record-book of the board of trustees and ask you to read the resolution I have marked so that may be incorporated in your testimony.—A. I will do so.

"No. 20 Nassau Street,
"*New York, January* 3, 1868.

"Mr. Bushnell offered the following resolution: *Resolved*, That the treasurer pay over to the Credit Mobilier of America, in accordance with the provisions of the contract of Oakes Ames with the Union Pacific Railroad Company, of August 16, 1867, and the assignment to the trustees, the sum of $1,104,000, or a sufficient sum to enable them to make the stock of the Union Pacific Railroad Company held by them full-paid. Carried unanimously."

Q. That is the record-book of the board of trustees, is it not?—A. It is so indorsed.

Q. Will you explain what that was for?—A. My memory is that in accordance with the original contract made by the trustees with the Credit Mobilier, the Credit Mobilier guaranteed to furnish them with funds to enable them to carry out the contract for 2½ per cent. commission, and it was in fulfillment of that agreement this money was appropriated.

Q. What is the meaning, then, of the phraseology "or a sufficient sum to enable them to make the stock of the Union Pacific Railroad Company held by them full-paid?"—A. I can give you that at once. I think the Credit Mobilier of America held a very large amount of stock in the Union Pacific Railroad Company on which percentages had been paid, but not fully paid up. I know one instance myself. I bought for the Credit Mobilier some $20,000 worth of stock, on which there had only been 10 or 20 per cent. paid up, and the Credit Mobilier paid the parties various prices, but generally par. I do not think it varied much from par. For instance, from S. B. Chittenden I bought his stock for the Credit Mobilier and paid him just what he had paid in. The Credit Mobilier bought all this stock where the parties did not want to take Credit Mobilier stock, but in every instance we offered them their money just that they had paid in, and in some cases interest. I don't know but that we offered them interest in all cases; but, as a general rule, we gave them what they had paid for the stock, and had it transferred to the Credit Mobilier. And this money appropriated by the resolution was a sufficient sum to make that stock full-paid. It is a considerable time since the transaction occurred, but that is my version of it. I would like to say, now, in connection with that matter, that while I do not find fault with the committee, it seems to me that they have not made quite prominent enough—and a good deal of undeserved censure has come upon the Credit Mobilier managers in consequence—the fact that they took so much pains to get the assent of every stockholder in the Union Pacific Railroad Company, and when we could not get the assent we bought the stock from them, paying them what it has cost them. I have been connected with railroad corporations since I was a young man, and I have never known a case where so much pains was taken to get the unanimous consent of those connected with the railroad as in this instance.

Q. Do you know where the document containing that assent is to be

found, except so far as it appears from the receipt given for the dividends?—A. I do not; I suppose it must be in the New York office.

Q. Have you ever seen such a document?—A. O, yes; I myself got the assent in many cases.

Q. Was it not on the receipt for dividends?—A. I do not remember just how the form was. We did get the assent of every one, and it was made a condition to get the assent of every one.

Q. How do you know the assent of every one was obtained?—A. Well, I believe one was not got.

Q. How do you know the assent of all but one was obtained?—A. Mr. Durant and myself made it an object to get the assent of every one. He determined that the contract should not be made unless we got the assent of every one. I give him the credit for that.

By Mr. SLOCUM:

Q. Who was president of the Union Pacific Railroad Company during the construction of the road?—A. General Dix, up to the time he went to Europe.

Q. Do you know how much stock General Dix held in the Union Pacific Railroad Company?—A. My memory is, five hundred shares.

Q. Do you know where he got it?—A. Not sufficient to swear to. I know well enough to my own mind.

Q. You know it was presented to him by the Credit Mobilier?—A. No, sir; it was not.

Q. You know it was not?—A. It was not.

Q. Where did he get it?—A. If you were to have Mr. Durant on the stand he could explain it better than I could.

Q. I would rather have you answer my question.—A. Well, sir, General Dix's stock, it is my impression, was paid for by Mr. Durant. He paid the first, and may be the second, installment on it.

Q. Paid for by Mr. Durant, and not by the Credit Mobilier?—A. No, sir; it was not paid for by the Credit Mobilier.

Q. It came out of Mr. Durant's own pocket?—A. I don't like to swear to that, but you can find that out positively by asking Mr. Durant.

Q. Do you know when General Dix parted with those shares?—A. Yes, sir.

Q. When?—A. When he was in Europe.

Q. Soon after he left the country?—A. During the time he was abroad.

Q. What did he get for it?—A. Fifty thousand dollars.

Q. He got par for it?—A. He got par for it.

Q. Cash?—A. Cash.

Q. Who bought it?—A. The Credit Mobilier of America, if I remember rightly.

Q. What induced them to buy it at par?—A. The same inducement that we had for purchasing Mr. Chittenden's.

Q. What induced you to buy Mr. Chittenden's at par? Has the stock ever sold in the market at par?—A. No, sir. The highest cash price in Wall street was never over seventy or seventy-five cents, since I have ever known anything about it.

Q. What price was it when General Dix wanted to dispose of his?—A. There was really no stock in the market then; there was very little changed hands.

Q. What did you regard the value of it at that time?—A. I was very sanguine; I thought it was worth 75 or 80.

Q. Other people didn't seem to think so?—A. Other people didn't think so; they didn't have so much faith in the enterprise as I had.

Q. How did you come to pay par for this stock?—A. We offered to parties holding stock in the Union Pacific Railroad Company, as far as I remember, if they didn't want to keep their stock and pay it up in full they might take what it cost them, or they could take Credit Mobilier stock; I offered that to parties in New York; I don't know whether I had authority to do so; we offered to pay them just what it cost them.

Q. You don't mean to say General Dix paid par for his; was it not given to him by Dr. Durant?—A. Yes, sir.

Q. Why did you give him $50,000 for 500 shares of stock?—A. Well, there were a combination of reasons why that was done.

Q. Let us know what they are; if you know of any reason just give it to us.—A. General Dix was represented to us as being somewhat aggrieved by having been left out of the presidency of the Union Pacific Railroad Company. He made us a very eloquent speech when he left, and stated that he preferred to remain president than to take the position of minister to France, and that he would not go off if he had to give up his position as president of the Union Pacific Railroad Company.

Q. Now, Mr. Bushnell, don't you know of his having written a letter to S. L. M. Barlow, which was read to certain of your directors, which induced you to pay this money and buy this stock at par?—A. I saw a letter in the hands of Mr. Barlow purporting to have been written by General Dix.

Q. And the letter was of such character as alarmed your company and compelled you to pay this money?—A. We were led to believe from that letter, and from the remarks of Mr. Barlow, that it was advisable to buy that stock.

Q. You thought it was greatly for the interest of the company to pay par for this stock and give him $50,000 for what was not worth $20,000?—A. Well, I don't say that; I don't like to decry the securities of the Union Pacific Railroad Company; I had always great faith in them.

Q. Who was the treasurer of the company at the time the bonds were issued—the first-mortgage bonds of the company?—A. Mr. Cisco was treasurer at that time.

Q. And General Dix president?—A. Yes, sir.

Q. What was paid to each of those parties for signing the bonds over and above their salary?—A. I do not remember hearing of their receiving anything over and above their salaries.

Q. Don't you know that the ledger shown here the other day had an entry of $25,000 paid them?—A. I did not look at the ledger. My memory is that they didn't receive anything above their salaries of $8,000 a year.

Q. You never heard of their having had extra pay for signing the bonds?—A. I never did.

Q. Did you ever hear of the Union Pacific Railroad being advised to give a retainer of $10,000 to a candidate for the United States Senate?—A. No, sir.

Q. Never heard of the company paying that amount for that purpose?—A. No, sir.

Q. Didn't you ever hear that a member of Congress urged the Union Pacific Railroad to pay to Mr. Carpenter, who was a candidate for the Senate, a retainer of $10,000 on the ground that he was friendly to the company?—A. No, sir.

Q. Never heard of that?—A. No.

Q. Did you ever hear of any amount being paid to him as a retainer

while he was a candidate for the United States Senate?—A. No, sir, not a cent.

Q. Never heard that subject mentioned?—A. Not the payment of any money, or that he proposed a retainer, or anything of that sort.

Q. Never heard it suggested?—A. I can't say that I didn't hear some rumor of that kind; but I won't say a word to injure anybody. It is nothing I can testify to.

Q. Do you know that any money was paid to him as a retainer?—A. No, sir.

Q. You don't know whether it was paid or not?—A. No, sir; I don't know of a single dollar either in 1864, or 1867, or in 1871; not one single dollar used to pay a retainer in Congress of any Senator, or anybody connected with Congress, to influence them to do anything.

By Mr. SWANN:

Q. I want to know something in regard to the character of that letter—what General Dix said in that letter, if you recollect it?—A. Mr. Barlow held that letter in his hand. He didn't let me take it or any of the rest of the directors.

Q. You read that letter?—A. He read a few lines, which would not enable me to give the character of the letter. It was to the effect that Mr. Barlow had authority to settle the matter.

Q. It was in a complaining spirit; complaining of the action of the road in not being more liberal to him?—A. I cannot go into details.

Q. You state you saw the letter. What induced you to make him that donation?—A. It was from the very few lines that Mr. Barlow read showing that he had authority to sell the stock, and from what Mr. Barlow said that it contained.

Q. Was not the letter in a complaining spirit; was it not a threatening letter?—A. I think it was in a complaining spirit.

Q. And he threatened you that unless this stock was purchased he would take some action in reference to the matter?—A. I want to correct my testimony. When I said that Mr. Durant gave that stock, it is barely possible that it was voted to General Dix by the company or by the Credit Mobilier, as extra salary or compensation for services.

Q. You say you have no distinct recollection about it?—A. I can only give my impressions.

Q. You know certainly it was given to him?—A. I can only say, as I have done before, that that is my impression. I would not swear positively in regard to it.

Q. What was the nature of this letter which you say was in a complaining spirit; you saw the letter or read part of it?—A. Mr. Barlow showed a part of it.

Q. Was it not threatening as to the bonds—as to the reception your bonds would meet with in Europe—if you do not take the stock at that price?—A. I am not prepared to say.

Q. What is your best recollection on that point?—A. My best recollection is that there was something to that effect either in the letter itself or in what Mr. Barlow stated, which may have been possibly without any authority from General Dix.

Q. What is the relation of Barlow to Dix?—A. He was his counsel in that particular. The part of the letter I saw showed that he was authorized to act for him.

Q. Is he not a partner of General Dix's son-in-law?—A. I did not know that.

Q. You say positively you never heard of a large amount of money

ng allowed to the president and treasurer, over and above their ary, for signing bonds?—A. I do not know; everything of that kind a matter of record. We want to account for every dollar that has s into that road. We did pay a large amount to these trustees for ing the bonds; we also paid a large amount for advertising the nds—no more, however, than the parties earned; but it amounted to rge sum.

By the CHAIRMAN:

Q. You paid large amounts to the trustees for signing the bonds?—A. Yes, sir; the trustees under the first mortgage. All those things t a good deal of money, and it is only fair that they should enter into cost of building the road.

By Mr. HOAR:

Q. How long was General Dix president of the road according to your mory?—A. From the summer of 1864 until he went to France, which , if I remember rightly, in 1868.

Q. Three or four years?—A. Yes, sir.

Q. How much of his time, before he went to France, did the duties of position occupy?—A. After the commencement of 1865 he was at office very uniformly, very regularly.

Q. It was constant employment?—A. Yes, sir.

Q. What was the salary paid to the president, the regular standing ry?—A. My memory is, $8,000 a year.

Q. Now do you know whether it is not a fact that during those years managers of New England manufacturing establishments, men whose rience had never been outside of their mills, were being paid at the of from eighteen to twenty-five thousand dollars a year for man- their establishments?—A. I was not well acquainted with the down there.

Q. Do you know what salaries were paid at that time for men of skill utation for managing business concerns? Were they not, imme- y after the close of the war, much higher than they were before or ?—A. I think they were pretty large. I can illustrate it, if you , in the matter of myself. I charged $10,000 a year for my ser- . I gave pretty much all my time. Owing to a quarrel, which re- here in these national quarrels, my account was not adjusted. I determined, however, to have my pay, and I took the money and them my checks, which now lie unpaid with my receipt.

Q. That was undoubtedly an important point to you, but it does not so important to me. I want to know the current rates, if you , and if you don't know you can say so, which, during the years diately concluding the war, prevailed for the management of large concerns?—A. I have no specific knowledge. I don't think 0 was too large a sum.

By Mr. SLOCUM:

Q. For one who devoted his whole time?—A. Yes, sir.

Q. You say General Dix was president during the construction of the ?—A. Yes, sir.

Q. And devoted his whole time to his duties as president?—A. I say his whole time. He attended the office every day.

Q. He was then cognizant of the fact that in this Oakes Ames con- for building six hundred and sixty-seven miles of road you took in road that had already been built and accepted by the Govern-

ment?—A. If he was president during that time, as I think he was, he did.

Q. He knew of the fact of your getting the consent of all the stockholders of the Union Pacific Railroad Company that the Credit Mobilier, composed as it was of the men who were running the Union Pacific Railroad Company, should have the contract to build the road, thus making, in fact, a bargain with themselves. He knew of that if he was president and did his full duty?—A. I think he knew of everything that was going on, and he didn't see anything wrong.

Q. You think he knew of everything that has been brought out here, and approved of it?—A. Yes, sir.

Q. You think he earned his $8,000 a year in approving of these things?—A. Yes, sir.

By Mr. HOAR:

Q. Did General Dix remain president after he went abroad?—A. Yes, sir.

Q. How long?—A. Until the next election; I do not remember the exact date.

Q. Do you know whether this Credit Mobilier contract and the transactions connected with it were during General Dix's presidency or during the presidency of Mr. Oliver Ames?—A. The only contract the Union Pacific Railroad Company ever had with the Credit Mobilier of America was under the direction of and executed by General Dix.

Q. Under that contract there was a dividend of 12 per cent. to the Credit Mobilier?—A. Yes, sir.

Q. And there was only one dividend?—A. Yes, sir.

Q. The subsequent contract under which these large dividends were made, was that executed under General Dix or Oliver Ames?—A. The execution of it, if I remember, was by Mr. Ames, in the fall of the year, but it should not be lost sight of, in this investigation, that the real fact was that this Oakes Ames contract was a matter of understanding and agreement early in the spring of 1867, but it did not take shape for execution until the fall, and during the intermediate time this one hundred miles of road was built.

Q. Now it is important to know whether General Dix, so far as your knowledge extends, was president of the road at the time that understanding was had?—A. It is my memory that he was. I don't know whether the committee have found out, but I have never seen it published, the fact that we never made one single dollar to my satisfaction in building the Union Pacific Railroad east of Cheyenne or west of Council Bluffs. We made our whole money in an incredibly short time in building the road from Cheyenne, one hundred and fifty miles west, but not a dollar can be shown that we made west of that one hundred and fifty miles, and I do not believe we made one dollar east of Cheyenne. It was a fortunate circumstance that the Rocky Mountains were not what we anticipated they would be, and but for that lucky strike we would have lost money. We got $96,000 a mile for building that piece of road, and it didn't cost us so much as that for which we got $64,000 a mile, and the nation ought to know that had the Rocky Mountains been what they thought they would be, we would never have got out of that contract with one single dollar in our pockets.

By Mr. SHELLABARGER:

Q. I will ask you a question here, whether you agree with Mr. Dix that the nature and character of that pass through the Rocky Mountains was known in 1863?—A. He might have known it; nobody else knew

and I don't believe he knew it. Mr. Benjamin E. Bates, of Boston, as one of our seven trustees under the Oakes Ames contract. At the e at which he sold his profits under that contract, the whole profit uld not have amounted to $5,000,000, but he sold at an unfortunate e when Mr. Boutwell made this attack upon us, as we call it. I sold profits as favorably, I think, as anybody, and at the rate at which I them the whole profits of the company, all told, under this contract uld have been less than $11,000,000 on an outlay of over $90,000,000.

By Mr. SLOCUM:

Q. What did you get for the Union Pacific stock?—A. I got for my ion Pacific from 30 down to 20.

Q. That was what time?—A. That was in the fall of 1867.

Q. That was about the time General Dix went to France, was it not?—I don't remember just the time he went.

Q. He was appointed by Johnson just before his administration ed?—A. I cannot go into the details of these things. I think so.

Q. General Grant came into the Presidency in 1869; it must have n at the time you sold your stock for 20?—A. It might have. The k went down pretty fast when the raid was made. We have had eral raids upon us and the stock has gone down.

By Mr. HOAR:

Q. Here is the report for 1866, in which I find the name of Oliver es, as president *pro tem.*, and John A. Dix, president. Now, can you plain how Oliver Ames in that year comes to be reported as president tem.?—A. I cannot say.

Q. Look at this report for 1869, by which it appears that Oliver Ames president during 1867. Now I ask you whether from your recollec-, after looking at these two documents, General Dix during the 1866 ceased practically to exercise the duties of the office, and Mr. Ames took his place as president *pro tem.*, and during the year 1867 Mr. Oliver Ames was president?—A. Mr. Oliver Ames president *pro tem.*, but did not attend to the business in New York. Durant, being vice-president, attended to the duties there.

Q. The fact I want to get out is when General Dix practically ceased president?—A. I think it was the spring of 1867 when he went , but I may be mistaken.

Q. I now desire to call your attention to this report, of which I will the first sentence: "Sir: In accordance with the provisions of 20 of the act of July 1, 1862, I have the honor to submit in behalf the Union Pacific Railroad Company the following annual report ex-ing from January 1, 1866, to December 31, 1866." Annexed is a of officers for that period, showing Oliver Ames to be president *pro* John A. Dix president, and the report is signed "Oliver Ames, ident *pro tempore* of the Union Pacific Railroad Company." Would appear from that statement that Mr. Ames's assumption of the of the president *pro tem.* occurred some time prior to Decem-31, 1866?—A. No; it would be prior to the date of the signing of report.

Q. This appears, does it not, to be the report of the president of that pany from January 1, 1866, to December 31, 1866?—A. Yes, sir.

Q. The report is made in 1867, but it is a report of what happened in 6?—A. Yes, sir.

Q. Now, it gives a list of officers during the period of 1866, and in that of officers are the names of Oliver Ames, president *pro tem.*, and n A. Dix, president. Now, would it not appear from this statement

sworn to June 28, 1867, that Mr. Ames assumed the duties of president *pro tem.*, for some reason, prior to December 31, 1866?—A. It would, according to the list in the report, but according to the signing of it, would be prior to the date of signing. My memory is——

Q. But what has the date of signing to do with it?—A. You are correct; it would appear from this report that he was president *pro tem.* some portion of the year 1866.

By Mr. SLOCUM:

Q. A few minutes ago, in your examination, comparison was drawn between the salary of the president of the Union Pacific Railroad Company and the head of some of the factories in New England, and I inferred from your evidence that you thought General Dix devoted himself entirely to his office during the time he was president.—A. I did not so state. I said he came every day to the office.

Q. I thought the implication was that he had earned his money by devoting his time to the duties of his office. Now I would like you to say whether he did or did not devote himself to the duties of the office.—A. The active duties of the company were done by Dr. Durant and myself. General Dix came down to the office every day, as I remember, and attended to such duties as he was expected to attend to as president, the execution of documents and the answering of letters.

Q. That did not take up all his time?—A. I did not intimate that it did.

Q. Did he draw any salary after he became minister to France?—A. I cannot say that he did.

Q. Do you know whether he did or not?—A. I do not.

Q. Don't you know that he drew his salary besides selling this stock?—A. I think it was understood generally by the New York interests that General Dix was to continue president of the road until he returned, and I think General Dix was disappointed because he was not continued president of the road. That is my impression; and I think that was the purport of his eloquent speech when he left, that he would not go to France and disconnect himself from the company.

Q. Well, now, Mr. Bushnell, didn't General Dix force the company to buy his stock at par when it was not worth over 30, under a threat of discrediting the bonds in Europe?—A. You would not consider yourself bound by everything your counsel did. General Dix might have been willing to take one-quarter what he got.

Q. But you understood through his counsel that your bonds were liable to be discredited in Europe if you didn't buy five hundred shares from him at par. Didn't you so understand from Mr. Barlow?—A. I would not say that.

Q. Was not that the burden of this letter that Barlow read to you?—A. I would not say that.

Q. Would you say it was not?—A. I would not.

Q. Give us the tenor of the letter.—A. He did not show enough of that letter for me to say. If you summon Mr. Barlow here he can tell you all about it. I don't want to reflect on any living man, unless I know the facts. I know both gentlemen, and I think very highly of them. I do not want to bring them in here without any positive knowledge of facts.

By Mr. SWANN:

Q. What impression did that letter make on you?—A. Simply, as I said before, that it was our interest, and advisable for us to buy the stock.

Q. Why was it advisable?—A. As I stated before, for several rea-

Q. I want to know the principal reasons.—A. One of them was that I did not think it was our interest, even if it was right, for us to have a quarrel with General Dix or his counsel.

Q. That is approximating the answer; but still it is not the full answer.—A. It is a very delicate position to put a witness in.

Q. I know it is a very delicate matter; but we want to know the facts. We want to know whether you acted under pressure in making these large donations to General Dix, and whether you apprehended he would act in such a way abroad as to embarrass the company?—A. I don't believe he would have done a thing to have injured the Union Pacific Railroad Company—not one single thing. I think he was always friendly, and is to-day, of his connection with the Union Pacific Railroad Company; and I think the rest of us will be, who are alive, when the smoke of this battle passes away.

Q. Can you give us the aggregate amount that was paid General Dix, other than his salary?—A. I do not know any other amounts at all, except that stock; and I cannot swear that that was given to him by the company.

By Mr. SLOCUM:

Q. What did you pay the trustees for signing those bonds?—A. We paid Governor Morgan $1.12½, $1.25, and $1.37½. I believe those are the various figures for each signature.

Q. How many bonds were issued?—A. Twenty-seven or twenty-eight thousand.

Q. Those were the first-mortgage bonds?—A. Yes, sir.

Q. Was he trustee of any others?—A. No, sir. The amounts we paid Mr. Ames, the co-trustee, I think were about half as much.

Q. What is the usual amount paid to trustees for signing bonds?—A. It is a matter of agreement.

Q. A dollar is pretty liberal for signing a man's name where he signs $100?—A. Well, there are various prices. I only alluded to the matter to account for our money. We were generally pretty generous, I think.

By Mr. HOAR:

Q. I want to understand one fact on this very point. Was there any other payment to those gentlemen for assuming the office and the responsibility of trustee other than the payment for signing the bonds?—A. No, sir; not to my knowledge.

Q. So that they took upon themselves the office of trustee for property securing a debt, or purporting to secure a debt, of $27,000,000?—A. Yes, sir.

Q. And the compensation which they got for undertaking that responsibility is found in this agreement, that they should have so much money for signing them?—A. That is it.

Q. How much did it amount to in the aggregate?—A. There were about $27,000,000 of securities, and the compensation would be somewhere about $30,000. I didn't allude to it as being so much, but merely as a usual item of expense.

By Mr. SLOCUM:

Q. You don't understand that a trustee for bondholders has any personal liability, no matter what the amount may be?—A. It was their duty not to sign these bonds faster than a hundred miles in advance.

He has got to look out that there is not an over-issue, and that they are recorded.

Q. But when he has signed the proper quantity and given them back to the road, he is not responsible for their being rightfully or wrongfully used?—A. So I understand.

By Mr. SHELLABARGER:

Q. You stated awhile ago the part of the road upon which you made all your profits, in your judgment. Will you state the east and west terminal points of that part upon which you made your profits?—A. A little west of Cheyenne, and continuing one hundred and fifty miles.

Q. Where is Cheyenne?—A. Cheyenne is a little east of the eastern base of the Rocky Mountains.

Q. Then that profit was made on the Oakes Ames contract of August 16, 1867?—A. Yes, sir.

Q. Did that part upon which you made your profits include what are called the Black Hills?—A. Yes; that is it.

Q. You state that the "lucky strike" you made upon that part of the contract enabled you to make all the profits that were made under the contract.—A. That is my opinion after very carefully estimating it and figuring it up.

Q. What do you mean when you use the words "lucky strike?" Do you mean that the road turned out more favorably than you thought it would when the contract was let?—A. Yes, sir.

Q. Now, I wish to read you an extract from a report made June 16, 1868, by J. L. Williams, Government director of the Union Pacific Railroad, filed with the Secretary of the Interior, Mr. Browning. The extract reads as follows: "First, as to location. In my report to you of the 23d of November, 1866, the very advantageous route of 90 feet maximum grade across the first range of mountains—the Black Hills—discovered after extensive surveys continued through three successive seasons, was fully described. The season of 1867 was occupied in further preliminary surveys, more minute than ever before, between the Black Hills and Salt Lake under the immediate direction of General Dodge, chief engineer." What I want especially to direct your attention to is that part of the statement where he says that in his report of 1866 the very advantageous route of 90 feet maximum grade across the first range of mountains, the Black Hills, discovered after extensive surveys continued through three successive seasons, was fully described. So, by this report, extensive surveys had been made of the Black Hills, the route fully described and reported to the Interior Department as early as November 23, 1866. What have you to say about that route being unknown to you at the date of the Oakes Ames contract, and turning out to be lucky?—A. I have simply to say that the engineers during these three years were surveying and resurveying, and while they may have been thoroughly posted themselves, I did not know it. Practical business men never pin their faith on the reports of engineers in business transactions to any extent. Mr. Williams took a great deal of interest in the reports and surveys. They came to Dr. Durant and he read them over carefully, and I do not think there is one single member of our board other than Dr. Durant and Mr. Williams who knew anything about the favorable condition of the road until late in the summer of 1867. What Mr. Williams reported to the Interior Department, or what Mr. Durant knew, was not generally known to the rest of us. Dr. Durant is a very reticent man, and all those reports of the engineers went to his department, and nobody ever saw them. I was

timate with him as anybody, and I never saw them. I have said
tofore in my testimony before this committee that I thought there
nothing connected with the Union Pacific Railroad Company, from
to last, that I didn't know as much about as any living man, except
engineer's reports.

Is that all the information you can give the committee on that
t?—A. I was one of the directors and one of the contractors, and
not know anything of the favorable condition of this road until I
t out myself in the summer of 1867. I went out as far as Lincoln,
I then began to realize the favorable condition of it. Other people
speak for themselves.

would like to make a statement to the committee as to the reasons
we asked Congress for just what we did in 1864. We did it after
sultation—Mr. Dillon and myself—with Mr. Lincoln. Mr. Lincoln
to us that his experience in the West after many years was that
y railroad that had been undertaken there had broken down before
as half completed, and the original projectors had lost all their
ey. He had but one advice to give us, and that was to ask suffi-
t aid of Congress, so that when we commenced the undertaking of
ding that road we should be able to carry it through to completion
not break down and lose all we put into it. He said further that
e would hurry it up so that when he retired from the Presidency he
d take a trip over it, it would be the proudest thing of his life that
igned the bill in aid of its construction. I have remarked myself
t I did not think he anticipated that every year the lobby would
black-mail upon the managers after the road was completed.

By Mr. HOAR:

Do you understand that that is done?—A. I was in Mr. Clark's
e just one year ago——

Answer the question first and we will have the explanation after-
d. Do you understand that every year the lobby has levied black-
l upon the Union Pacific Railroad Company?—A. In some shape
nother.

Will you be good enough to state to the committee all the black-
l the managers of the road have paid, the persons to whom it has
paid, and the amount in each case?—A. I will state that we refused
to pay a dollar—not one dollar. Our president at the last time
matter was laid before him—I won't say that he swore, but he did
that the parties might go to hell before he would pay a dollar.

State the amount and upon whom the black-mail was levied.—A.
869 we were informed that the lobby was coming to Washington to
e some legislation to reduce the price of our bonds. They were
g to ask Congress to reduce the rates, and on that our bonds and
Central Pacific bonds were sold right down in the market, and the
ies who sold them down afterward found they could not get any
k-mail, and they could not get their bonds in without paying a large
entage of profit. The next attempt is too prominent in its history
ender it necessary to go over it. In 1872 the same thing was
d upon us.

What was the one you thought too prominent to name—the Secre-
's action?—A. Yes, sir. The third year I was in the office of our
ident, and he received a telegram that immense damage would be
e to us if we did not furnish a fund to protect ourselves, and the
ident asked me what I would recommend. I said if the Union
ific Railroad Company had got to furnish a fund to protect itself at

Washington, the sooner we knew it the better. I recommended that he should not pay a dollar. He said that was the way he felt, and that he would not pay a damned cent. This year the question came up whether we should employ counsel in the lobby to take care of our interests. We discussed it carefully and our president said that we should come to Congress and come to this committee, and to any other committee, and give every fact we knew, without counsel, and if it was necessary we could send our regular yearly counsel, Mr. Poppleton, and give the committee all the information we could, and then leave it with the committee and to Congress to say whether the road can be protected without a lobby. We all came to that conclusion, and we have never used those means up to to-day. Mr. Clark said that he would come on here, I would come on here, and all of us would come on and give every fact we knew, and let Congress and the nation know them all, and trust Congress and the nation for our protection. That is the way I feel about it. There is no fact that I am not ready to give.

By Mr. SLOCUM:

Q. You have not given all the cases of black-mail, have you?—A. I have not come to Congress to wash my dirty linen.

Q. How about that $50,000 paid to Fullerton; was not that black-mail?—A. Of course it was; I ordered that paid myself. There are other cases of black-mail, but there is no use of discussing them here. The committee has had information enough, and can come to their own conclusions. We all know the origin of these controversies; you can get at the bottom of them and come to your own conclusion. If it were necessary, or of any possible use, I can name you three times when the Union Pacific Railroad Company would have gone to protest and ruin had it not been for Mr. Ames and myself; but that is of no earthly use here.

By Mr. SHELLABARGER:

Q. When were those three separate times?—A. The first time was the spring of 1867.

Q. When was the second time?—A. In the spring of 1869, at the time of the Fisk raid. Mr. Ames was here, and I telegraphed him to come on or we were gone up.

Q. When was the third time?—A. In December, 1871. Although Oakes Ames had failed, owing to the action of the Secretary of the Treasury, his name then, together with others, enabled me to raise money to pay the interest on the first-mortgage and the bridge bonds—I have told you about that—and that saved the company from going to protest.

Q. Now go back to 1867; what danger was it that Mr. Ames averted, and prevented the insolvency of the company?—A. If you recur to my testimony you will see that in the spring of 1867 we owed three and a half million dollars, and we were borrowing money from day to day, and existing only from hand to mouth. I have been out myself day after day during the time we were getting up the $1,250,000, and borrowed money after 3 o'clock in the market to keep the company's notes from going to protest.

Q. Then the company was in such straitened circumstances in 1867 as that it would have gone to bankruptcy and gone to ruin had it not been for the aid it received from Mr. Ames?—A. Yes, sir; and the parties he got to join with him at the time we placed this memorable Credit Mobilier stock.

Q. What time was that in 1867?—A. Very early in the year.

Q. Then in 1869 another crisis came?—A. Yes, sir.

Q. What was the nature of that crisis?—A. That was when Judge Hoard took possession of our offices. Our notes were about maturing, and our bonds went down so that we could not borrow fifty cents on a dollar. Mr. Ames was in Washington, and I telegraphed him to come on. He did so, and joined me in raising the money to pay the obligations that were maturing, and saved the company from ruin. It is the daily boast of our enemies that they will put us in bankruptcy anyhow.

Q. You have said that but for that interposition of Mr. Ames the destruction of the company would have been so complete that those of you who had embarked your money in it would have lost your all that was in it?—A. Yes, sir.

Q. So that the result of what you say is that the assets of the company and its debts were such, in relation to each other, that had the company been compelled to pay its debts at that time in the way described, the result would have been bankruptcy—permanent bankruptcy—so that you would have lost all you put in; is that your testimony?—A. It will be necessary to give a separate and distinct explanation for each one of those cases.

Q. Still you made the remark general. I simply want to understand, because the question of the solvency or insolvency of this company is very material, and we want to know from you, as one of its officers, whether its affairs have been so desperate that it was saved from bankruptcy and complete and permanent destruction by this interposition. If you wish to be understood that way, that is right; if you do not, let us know it.—A. Well, I can't say if we hadn't done what we did it could have gone into bankruptcy, because some other gentlemen might have come forward and done the same. I know that we did save it; still, if we hadn't, some other gentlemen might have been able and willing to do it.

Q. A corporation that is completely solvent and has abundant assets to pay its debts is not driven into, permanent bankruptcy and destruction by the simple fact of an accidental protest at a particular time?—A. You can judge as well as I. We owed three and a half millions in the spring of 1867, on securities that had no market value. Had we done as other railroads do, and let the securities go to protest, you can judge of the effect as well as I. In 1869 we owed over $15,000,000; we had built the road through in 1868 and 1869 without making one single dollar, and we had accumulated this debt. Unwisely, as we see now, we had divided the profit of 1867, instead of keeping it on hand, as we now see we ought to have done; but we supposed we were going to make some money on the rest of the road. We didn't make as much as we thought, and I do not think as much as we ought on an expenditure of $90,000,000.

Q. I would like to have you state the amount of actual cash that was paid in for stock to the Union Pacific Railroad Company. Now, of course, I don't ask for exact dollars, but the amount as near as you can state it.—A. At different times, or all through?

Q. Yes, all through, in actual cash, excluding road-building. Go back to the beginning and take the different subscriptions to stock, and tell the committee the amount of actual cash that was paid in for stock, in round numbers.—A. You may not look upon it the same way as I do, but I consider that there was paid in actual cash a little over $27,000,000.

Q. I will shape my question, then, differently. State to the committee the amounts in round numbers, as near as you can, that were paid in

for stock subscriptions to the Union Pacific Railroad Company in money, not including what was paid in road-building, and also excluding from it all payments that were made by check, and the stock divided out among the parties in interest. Now exclude both classes and give the amount of money that was paid in for stock.—A. On the original subscription ten per cent. was paid, but those payments were made by check.

Q. But they were regular checks for money, and the money on them was drawn and went into the treasury?—A. Yes, sir.

Q. What else?—A. If I remember rightly the next payment was made by the Credit Mobilier, with certified checks for so much stock of the Union Pacific Railroad Company, subscribed for by them and paid for by them.

Q. And the money paid into your treasury actually?—A. Actually. I think it was a check on a bank, just the same as for all the work on the road. I remember that the trustees did pay over to the Credit Mobilier money which was paid to the Union Pacific Railroad Company to make their stock full-paid.

Q. My question invites you to state the amounts and payments into the treasury of the Union Pacific Railroad Company, of money, as distinguished from those checks which were paid for road-work, and as distinguished from all other transactions where the money was paid in a check and immediately paid out again.—A. There was ten per cent. paid in cash on the $2,000,000 originally subscribed. That was paid into the treasury of the Union Pacific Railroad Company. Afterward two and one-half millions, the capital stock of the Credit Mobilier, was paid into the Union Pacific Railroad Company in actual cash. Just how that got in I cannot state in detail; but I know that it all went in.

By Mr. HOAR:

Q. When the Credit Mobilier paid for two and one-half millions of the capital stock of the Union Pacific Railroad Company, by using the cash which had been paid by its (the Credit Mobilier's) subscription for its original capital, were they not carrying out a previous contract to take that stock which had been made in connection with contracts to build the road or a part of it?—A. I think so.

Q. They took at the same time an assignment of the Hoxie contract?—A. Yes, sir; about that time; and that had bound Hoxie to build so much of the road at the same price, and to procure subscription of the stock of the Union Pacific Railroad Company. That you have got in detail.

Q. The original charter requires the subscription of at least ten per cent. of that $2,000,000 before the organization of the road shall be delivered over by the Government commissioners to the company, does it not?—A. Yes, sir.

Q. And that was subscribed and paid in cash amounting to $211,000?—A. Yes, sir.

Q. The remainder of this $2,000,000 was made by turning in this scrip which they had acquired in payment on one of their contracts for building the road, was it not, and not paid in cash the other way?—A. A part of it was in that way, and a part in the other. Parties sold their stock to the Credit Mobilier, bought it and made it full-paid.

Q. That transaction was a transaction which accompanied the contract to build the road. It was in some way connected with that?—A. Yes, sir; so far as the Credit Mobilier was connected with it.

Q. Do you know of a single instance in which a single dollar was paid of the capital stock of that road, except the original $211,000, by man or corporation, who simply paid his money and nothing more, and who, as a consideration for it, received his stock and nothing more?—A. I do not know of any.

Q. You do not know, with the exception of that original $211,000, which paid 10 per cent. on the first two millions subscribed, of a single dollar paid into the treasury, by a person who was to pay his money for his stock in full, and nothing more, and was to receive in consideration for it his stock and nothing more?—A. I guess I was a little too hasty in answering that before. I think that various subscriptions were called in, up to as high as 55 per cent. I am not sure that Brigham Young did not pay his subscription up to par. The great whole was, however, as you suggest.

Q. There may have been possibly a few individual stockholders who paid on small amounts up to 55 per cent.?—A. It would be a considerable amount, except in comparison with the whole.

Q. Can you furnish the committee with any information which would enable it to report that fact exactly?—A. I do not know that I can.

Q. Was Brigham Young one of the original subscribers?—A. Yes, sir.

Q. Then the persons who you think may have paid more than 10 per cent. in cash, under the circumstances supposed in my question, were all subscribers to the original $2,000,000, so far as you can recollect?—A. Yes, sir.

Q. Suppose this road had been built in the old-fashioned way, such as the first railroads were built in; that somebody had come in and subscribed $20,000,000, and paid it into the treasury of the company, and that then the company had proceeded to make contracts to build the road, and had done so under such circumstances as that the stock was going to be worth 110 or 120; suppose it had been possible to do that; would it not, under the charter, have been possible for anybody else to come in and say, "I will now take so much stock at 100, and will get the benefit of the profit, and of the rise on the stock, to the disadvantage of the original subscribers, who had taken the stock and run all the risk?"—A. Of course; and that was one of the reasons why we would not run the risk of letting others come in and take all the profits; that is self-evident. If we had subscribed ten millions or twenty millions, and gone ahead and built the road just as cheaply as we could, and made it a success, and got it within ten miles of the junction with the Central Pacific Railroad, so that outsiders would see that there was a good thing to be made of it, then they would have come in and taken the balance of stock—enough to control the company. We could not have prevented it, and they would have got nine-tenths of the profits, without having risked a dollar, while we should have run all the risk, without making any profit; that is perfectly apparent.

Q. Then, for that reason, and for other reasons, was it or not the purpose of the gentlemen who built that road, so far as you know it, to obey the law?—A. That was the intention, and desire, and purpose.

Q. But I understood you to say that if they had obeyed the law you did not think they could have built the road.—A. We think we did obey the law.

Q. I will ask you a question which I asked Mr. Alley. Do you know of any legal advice having been taken, by the gentlemen engaged in this transaction, in reference to the question whether these contracts, and the taking of the stock under them, was a substantial compliance with the provisions of the law requiring the capital to be paid in cash?—

A. I can answer that we were informed by the best legal talent, as w supposed, that we could do so; and that we were complying with th terms of the law.

Q. Have you any written information of that fact, given at the ti of those transactions?—A. I think we have; I cannot say that w have.

Q. Can you furnish to the committee the testimony of any coun of eminence to the fact that, at the time of these transactions, he gav you any such advice?—A. It is my opinion that I can.

Mr. SHELLABARGER. Speaking only for one, I should advise you do so.

The CHAIRMAN. Speaking for another, I should be very glad for yo to do so.

The WITNESS. I shall be happy to do so.

Mr. HOAR. You may or may not, as you please, name the coun whom you have in your mind as having given you that opinion.

The WITNESS. I will name several gentlemen, who, I am prepared say, advised us that the course which we were taking was legal, and safe course for us to adopt. I will name Tracy, Olmstead & Co., New York. It is my opinion that a gentleman who is now a judge the court of appeals in New York, William F. Allen, advised us also that effect. I think that Judge Jerry Black also so advised us; an Mr. Samuel J. Tilden. In Connecticut, I consulted a gentleman who one of the most eminent lawyers there, Mr. William B. Bristol, and h after considering the subject thoroughly, took stock in the enterprise.

Adjourned.

WASHINGTON, D. C., *February* 4, 1873.

JOHN B. ALLEY appeared again before the committee.

Mr. HOAR. I understand that you desire to make some further point to the committee in relation to your previous testimony?

The WITNESS. I have said before that the road must have been built if at all, by a contracting party with corporate powers, on account that provision of the law which required that the books should be kept open till the road was finished or one hundred millions of stock was sub scribed. The parties in interest who built this road have never had over fifteen million dollars in it of their own money at any time during it construction, including the capital paid into the Credit Mobilier, the purchase of securities and loans, and everything else. Now, there was liability for forty-seven millions at one time; yet the actual cash the had in of their own money would not, I think, have exceeded fifteen million dollars. Now, if they had subscribed and paid in fifteen millio dollars to the capital stock directly, and had built the road as railroad were built fifteen or twenty years ago, (but as none that I know of are built now,) if successful and as profitable as it should be, commensurate with the risk taken and the capital employed, the stock would be worth at least 150, provided there was no provision that the books should be kept open until the road was finished or one hundred millions subscribed. But with that provision all could come in and get their stock at par, and prevent those who had taken the risk, furnished the capital, and per formed this immense labor, from reaping any benefit from it more than those who came in at the eleventh hour. All must see and admit the injustice of this. Under these circumstances it was that they built it by contract, in which it was stipulated that stock should be received at par

and undoubtedly the contracts were given out at something more in price than the Union Pacific Railroad Company would otherwise have paid. But they were informed by very eminent counsel that it was legally right and proper; and I am sure we thought there was no moral wrong in it—not one of us.

With reference to the contract: it has been suggested that they were making a contract with themselves, and that, therefore, it would be illegitimate and unjust. So far as that goes, I have to say that we thought there was no injustice in it, as we were informed by the best of counsel that it was most perfectly legal under the circumstances, containing the provision, as the contract did, that all the stockholders of the Union Pacific Railroad Company should give their assent to it. So far as I was personally concerned, my interest was relatively three times as large in the Union Pacific Railroad Company as it was in the Credit Mobilier. I was opposed to the contract, and opposed to the distribution of dividends, on business grounds, and not at all on the ground that it was any injustice to any party, particularly to the stockholders of the Union Pacific Railroad Company. If it had been, I should be doing as much injustice to myself as to any one, as my interest was so much larger in that corporation than in the Credit Mobilier, I owned 1,100 shares of stock in the Union Pacific Railroad Company, and only 290 in the Credit Mobilier; and the capital of the Union Pacific Railroad Company at that time was, I believe, less than six millions, while that of the Credit Mobilier was $3,750,000. So that if I wronged anybody so far as my action was concerned, I certainly did that wrong to myself; but it never entered my head, as I do not believe it did any of the others, that they were doing any wrong to any stockholder of the Union Pacific Railroad Company.

Now, it should be borne in mind, I think, that in 1867, when this contract was made, I had, a short time before, gone into the Credit Mobilier, and I was appointed chairman of the finance committee on behalf of the Union Pacific Railroad Company. At that time, the Union Pacific Railroad Company was in a very precarious condition, owing an immense amount of money, paying 2½ per cent. a month for loans, pledging its bonds, which were then entirely unsalable, at 40 and 50 cents on the dollar, and in some instances at 25 cents on the dollar, and requiring that the personal credit of the directors and stockholders and parties in interest should be used to a very great extent in putting the road through.

Now, although the profits have been stated here to be some eleven or twelve millions on the whole road, (and nobody has put them higher,) I think it can be clearly shown, as I have stated before the other committee, that the only money made upon any of the contracts really and substantially was made under the Oakes Ames contract, and that contract only yielded between eight and nine millions. That contract amounted to forty-seven million dollars, and the percentage of profits as you perceive, was only between 16 and 17 per cent. I think it was the expectation of the parties in interest, when they took that contract, to realize at least 25 per cent. profit, which is regarded by all railroad men as a moderate profit for the risks that are ususally taken in the building of railroads; and this was vastly more hazardous than any other road that I have had anything to do with. Of the many railroads that I have been engaged in helping to build, there has been none which, for the risk taken, the capital involved, and the length of time that it took to build the road, returned me so little profit on the investment which I made in this road. I think all railroad men

will tell you that a profit of 16 or even 20 per cent. is exceedin moderate on contracts for building ordinary railroads. In 1867, wh I was chairman of the finance committee, we made a good deal of eff to sell the bonds and to raise money. I visited several cities and cal meetings of capitalists, and addressed them on the subject, setting fo the prospects of the road; and I found very few capitalists who h faith enough in the successful prosecution of the undertaking to t that it was safe to invest a dollar in the bonds, or even to take t notes of the company, with bonds as collateral, at 60 cents on the d lar, without a large commission. It was under that condition of thin and with that state of feeling, that this contract was given out, in wh it was stipulated that Oakes Ames, to whom it was given, should p cure a subscription to the capital stock of the company at par, su ciently large to put the road through. Those men who went into periled their all. The idea of basing the profits on the capital sto of the Credit Mobilier, as many have done, and calling it 200 or 300 p cent., is, to my view, perfectly absurd, as the Credit Mobilier, as a c poration, had nothing whatever to do with it.

And now a word in explanation of these profits. The profits, as said before, were made under the Oakes Ames contract, and none othe On all the other contracts there were really losses sustained; becau while the profits were nominally twelve millions, (giving some profits inally on other contracts,) you will bear in mind that the Hoxie contr (which was the only other one on which it is pretended that anythi was made) was by the Credit Mobilier, and the Credit Mobilier has ne yet received back its capital. And if you deduct the amount of th capital, which was absorbed in this contract, and which has never be paid back, and the interest on the same, you will find that the prof on the stock of the Credit Mobilier (and that was the only thing wh yielded any profit) will be very much less than the par value of t stock, with the interest added thereto. Therefore, that explains m position or declaration that the profits really counted out only betwe eight and nine million dollars. I think that when you consider th fact, the immense risk involved, and that the profits were really on t contracts themselves, (and for the performance of which every sto holder was liable,) all will see that the profits were exceedingly moder as compared to the profits made on other railroad enterprises—certai so, as far as any that I have ever been engaged in.

Now, with reference to my personal opposition to the contract, and the dividends, and as to the reasons why I was opposed to them.

Mr. HOAR. You say that if 15 millions had been subscribed and p in in cash to the capital stock of the Union Pacific Railroad Compa that capital stock would have been, in your judgment, worth 150. Th suppose you could, by application to Congress, or in any other w have removed the difficulty, which you have stated, in obtaining su scriptions, (which is that, after the risk had been taken, and after t profit, if any, had been made, new subscribers who had had no share the risk and labor that resulted in the profit could come in and demand a share in that profit,) would not a subscription of 15, 20, or 30 millio of capital stock have enabled you to build the road in accordance wi the act of Congress, and to have had a strong, solvent corporation the end of the transaction?

The WITNESS. I think a subscription of 30 millions would have c tainly done it.

Mr. HOAR. I do not, however, understand you to admit that, in t

then condition of the public information and of the money-market, such a subscription could have been obtained.

The WITNESS. It was utterly impossible, or even a subscription of five millions, because capitalists would not subscribe money where it was dependent on the contingency of such an act of Congress as you have suggested.

Mr. HOAR. You say that these gentlemen assumed a vast personal risk, which no other capitalists or contractors could have been found to assume at that time. Now, if, instead of taking the course they did, (whether legal or illegal,) they had taken the course of assuming that risk by a subscription of 20 millions to the capital stock of the Union Pacific Railroad Company, would they not, in your judgment, have had a solvent and powerful institution, and have made more money by the increase of that capital stock from par to 150 than you say they have now made?

The WITNESS. They would but for that provision of the charter; but I do not think that that amount of money could have been raised, for the feeling of the capitalists of the country at that time was very adverse to it. When Mr. Ames called on me to get me into it, he stated that he had just been talking with Mr. William F. Wells, and trying to get him into it, but could not do so; Mr. Wells expressing himself very strongly to Mr. Ames, and telling him that he would ruin himself, as it was too vast an undertaking for private capitalists to carry through.

Mr. HOAR. In point of fact, in the light of your experience now, would not a subscription of 15 or 20 or 25 millions to the capital stock of the Union Pacific Railroad Company, and the contracting for the work in the ordinary course of business, (if it could have been accomplished,) have resulted in profit to the subscribers, and in strength and solvency to the institution?

The WITNESS. I have no doubt about that.

Mr. HOAR. So that, with the single exception of the difficulty you have stated, growing out of the obligation to keep the books open till the road was completed, or till one hundred millions of stock was subscribed, the method provided for by the act of Congress itself would have been in fact a better method for all parties, would it not?

The WITNESS. Yes, if that could have been done, and if the provision had been so far modified as to reduce the amount. I had a conversation on that point with Mr. Oliver Ames, the president of the company, at the time of the Oakes Ames contract. We were trying to suggest some means by which we could get along without this circumlocution, and without making a contract such as we made. It seemed to me to be one of those things that might be avoided, and, in discussing the question, we felt, both of us, that we should like to build the road by the company itself, and as, at that time, a considerable amount of the subscription had been paid in, we were very desirous to do so; but this one hundred million provision kept staring us in the face, and we could not see any way by which we could get any additional subscriptions in good faith. Nobody would subscribe.

Mr. HOAR. Did you consider the question whether the same efforts that were made to obtain other legislation, such as the company desired to obtain from Congress, (I speak of proper efforts in presenting the reasons of the case to Congress in the appropriate and proper manner,) would have been likely to have removed that difficulty?

The WITNESS. We did. I suggested that thing in the board one day and we had a discussion on it, and the feeling seemed almost universal that it was useless to attempt to do that.

Mr. HOAR. When you speak of a profit of 16 or even 20 per cent. a moderate profit, what do you mean—profit on the actual cost to t railroad, on the actual cost to the contractors, or on what it would ha cost the contractors if prudently built?

The WITNESS. On the actual cost of the contractors. For instan on this contract of forty-seven millions, 16 or 17 per cent. would about the amount which, I think, they realized.

Mr. HOAR. Have you ever considered the question what that road, far as it has been accepted by the Government, (and that is the wh length for the purpose of issuing the bonds,) could have been built if prudently built, at the ordinary rates?

The WITNESS. If it could have been prudently built, and built other railroads are built, I suppose that thirty millions would have be the entire road and equipped it, perhaps not well as it is now, but s as well as it was when it was opened. It should be taken into considerat that the road cost, necessarily and inevitably, a great deal more—c tainly 25 per cent. more, in some things twice as much—for being bu so rapidly.

Mr. HOAR. This is a matter which you will be careful not to state as to do injustice to any person concerned in the building of the ro When I ask you what it could be built for in the ordinary course of bu ness, I do not mean to suppose the case of a road built in New Engla where the transportation was all regular and could be depended up and in a country protected by law. I speak of the road built there, u der the then existing circumstances of transportation, the distance of labor from home, the distance from the place of supplies; and I ask y then, what could the railroad have been built for there, in your ju ment, if built prudently and at the ordinary rate of railroad building

The WITNESS. If you take into view those circumstances, it wo cost more than I have stated.

Mr. HOAR. I do not include now any addition to the cost by reason the haste with which the building was pressed. Do you wish to modi in any degree, your thirty-million answer, with this explanation of question—what that road there, and at that time, and in that pla would, in your judgment, have cost, built and equipped as it was wh the Government issued its bonds, if prudently built at the ordinary r of speed?

The WITNESS. You mean the whole road?

Mr. HOAR. I mean the whole road.

The WITNESS. I should say at least fifty millions for the whole r —1,083 miles. Perhaps not quite so much as that, if you do not t into account the extra speed with which it was built; then I should it down some from that.

Mr. HOAR. Let us have your careful estimate. You understand question. How do you wish to leave your answer?

The WITNESS. I think that with the ordinary speed, I could h built that road as was built, at the time it was accepted by the Gov ment, on the 19th of May, 1869, as good as it was then, if I could h had the time usually taken to build railroads, for at least forty-five m lions of dollars.

Q. What was done with the bonds which the gentlemen who b this road received in payment—the Government bonds and the railr bonds—were they as a rule sold in the market, or were they retained a permanent investment, by the parties who received them?—A. T were sold immediately on their receipt. I mean the Government bon I do not think the company kept them for any length of time. T

were all sold within a few days of the time of their reception; sold to managers entirely. The other bonds, the first-mortgage bonds, were sold as fast as they could be sold to the public. They were taken only by the parties in interest, when they were compelled to take them, when they could not be sold in the market, and when the company must have money.

Q. The fact, whether they were or were not sold as a rule at an early day, is a fact that I want to get at.—A. No; they were not sold. In 1867, at the time of this contract with Oakes Ames, there were very few or none sold; they had been pledged, so far as they could be.

Q. What I want to get at is, how soon after the contract for construction these gentlemen, who were engaged in it, got their cash. You say they sold the Government bonds pretty promptly?—A. There was a good deal of delay in getting these bonds, and a vast amount of expenditure.

Q. In relation to the second class of bonds, are you able to give the committee any information as to how long those bonds on the average were held by the gentlemen to whom they were distributed in dividends, or by the trustees?—A. A very small proportion of them were distributed in dividends. Until we had completed over 300 miles of road under the Oakes Ames contract, I don't think a single bond of the first-mortgage bonds had been sold, or could have been sold in any considerable quantity, at 50 cents on the dollar. The road was built entirely by the freights, and personal credit and means of those gentlemen and the Credit Mobilier, with the aid of the Government bonds.

Q. And when you invested in the Credit Mobilier, you paid in, in the first place, a capital stock of $2,500,000?—A. Yes, sir; that was paid in in cash.

Q. The second payment made on the increased capital stock of the Credit Mobilier, entitled the person who made it to a one thousand dollar first-mortgage bond for every thousand dollars of stock?—A. Yes, sir.

Q. So that the transaction amounted (except so far as it gave the party his rights as a stockholder in the Credit Mobilier) to finding a market for so many bonds at the rate which was allowed for them to the company; that was the substance of that transaction?—A. Yes, sir.

Q. Were the two six per cent. dividends on the Credit Mobilier stock made before or after that increase of capital?—A. It was after. That increase of capital was made, I think, in April.

Q. Why do not the cash and the bonds and the stock divided by those trustees, the present value of the Credit Mobilier stock, and the dividends made by the Credit Mobilier added together, and deducting the capital of $3,750,000, show the profits of those parties on that transaction; was there any element except your interest account left out?—A. I think you will recollect that the treasurer and myself, the other evening, went into an accurate calculation what the whole would amount to, with the interest added to the capital, and then taking all the dividends received, together with that bond which we gave at the time and calling the stock at its present market value, the parties who went into the Credit Mobilier would not get a new dollar for an old one. I think we showed that pretty thoroughly.

Q. Keeping the Credit Mobilier itself distinguished from the transaction with the trustees?—A. Yes, sir.

Q. Did you ever advance any money on this road during its construction, except your share of the subscription stock of the Credit Mobilier?—A. Yes, sir.

Q. Have you any record of those transactions?—A. Yes, sir; I pur-

chased large amounts of their securities to help them out, and I loaned them large amounts, from time to time, as all others did. I think we loaned them to the amount of many millions.

Q. I am not speaking of accommodation loans that were outside of your relations to the Credit Mobilier, nor of any outside dealings in stock, where you bought them and sold them in the market; but did you, as one of the associates, make any advances of money for the purposes of the construction of this road, except your share of the original capital stock in the Credit Mobilier?—A. I did, to a very large amount. You mean in the way of loans?

Mr. HOAR. No; I mean advances for the purpose of construction.

The WITNESS. Well, you mean loans to the company and to the trustees that were necessary in order to build the road.

Mr. HOAR. You say that you were, in the first place, a corporator in the Credit Mobilier which had a contract, by assignment from Hoxie, to construct a portion of this road?

The WITNESS. Yes, sir.

Mr. HOAR. You were afterward one of a company of associates, stockholders of the Credit Mobilier, who, as partners, had a large contract by assignment from Oakes Ames?

The WITNESS. Yes, sir.

Mr. HOAR. What I want to get at is, how much, in the execution of these two contracts, you did in fact advance in money for carrying out those contracts other than your original advances in the capital stock of the Credit Mobilier.

The WITNESS. I advanced large sums in the way of loans and in the purchase of securities.

Q. To whom?—A. To the Union Pacific Railroad Company.

Q. Why should you have to make loans to the Union Pacific Railroad Company in the execution of your contract to build a portion of the road?—A. Because the company needed the money, and could not get along without it.

Q. What did they want money for?—A. To construct the road.

Q. They were not constructing the road.—A. No; but they were owing the trustees, which was the same thing.

Q. They paid you in two classes of bonds and in stock. You did not have to loan them any money to get their bonds, when they were entitled to them; and they issued their stock under the contract. You, therefore, did not have to make loans to the Union Pacific Railroad Company.—A. The Union Pacific Railroad Company was very much indebted, and had to pay up its debts, and it was necessary for that purpose to lend money to it. That was an independent contract. So far as the Oakes Ames contract was concerned, I do not know that there was any money advanced on that particularly, only in this way, that we had to buy the securities.

Q. Just leave out the Credit Mobilier, and call it all by the names of Oakes Ames and John B. Alley. What I want to get at is, how much advances of money had to be made by those persons who built that road, before they got re-imbursed by payments from the company, in the execution of the contract?—A. I should say several millions.

Q. How many millions; and can you bring any accounts which show that fact?—A. Yes, sir; I think I can.

Mr. HOAR. One witness has testified that in his judgment there was an average of about three months from the time the work was done by the contractors, and the cash expended in payment for it, and the time

when it was re-imbursed by the conversion into cash of the securities which the company paid to the contractors.

The WITNESS. Well, I should think three or four months, perhaps.

Mr. HOAR. You agree with that gentleman's statement?

The WITNESS. Yes; except that I would extend the time a little, say a month. I do not think that at the time this contract was made, it was possible to have let it to outsiders, with the obligations incurred in the agreement to get subscriptions to the stock, and subject to a compliance with all the conditions, on more favorable terms than the one that was obtained from Oakes Ames at that time, if the contractors were to take their pay in bonds and stock.

Mr. HOAR. Can you give the committee any information as to the reason for the extraordinary haste with which that road was constructed in the years 1867 and 1868?

The WITNESS. The interest account was a very important item, but the principal reason was this: Under the provisions of the charter by Congress they were allowed to go to the eastern boundary-line of the State of California, which would give them all the advantages of the connections at the western end of the road. That was done by a compromise with the Central Pacific Railroad Company. In 1866, very much to the astonishment of the Union Pacific Railroad Company, the Central Pacific Company, with the Kansas Pacific Company and some other roads, came here for additional legislation, and the country being exceedingly anxious that the road should be built in the shortest possible time, and the Central Pacific Company urging the necessity of it, and the great benefit that it would be to the Pacific coast, Congress was induced (as we thought very unjustly and against its plighted faith to us) to interfere with that provision of the charter, and to allow the two companies to build until they met each other. This, of course, occasioned at once a strong feeling of rivalry to get at those points which it was very important to both companies should be got at, and it occasioned a dispute and almost a quarrel between the two companies, which resulted in building or grading alongside of each other quite a considerable amount of road, which was a great loss to both companies. Mr. Huntington, in the conversations that I had with him about it, said that it was a case of life and death to the Central Pacific Company, and that at any cost and at every sacrifice they must get to those points on account of the connections which they would give them, and in order to prevent our road from coming in and cutting them out of those connections and destroying their road.

Q. Then it was for the sake of commanding the point of junction that the road was built in such haste?—A. Yes.

Q. Was there any reason that you know of except the saving of the interest and the desire to command the point of junction?—A. I never heard any suggested by anybody.

Q. So far as you know or believe, was there any other?—A. So far as I know or believe, there was no other but those reasons, and also the desire to comply with the general wish of the country, and of Congress, and everybody, to get the road through as fast as possible.

Q. Was there no fear, so far as you are informed, on the part of persons interested in that contract for constructing the road, that they would be intefered with by Congress in the arrangements that they had made?—A. I never heard of such a thing suggested, and certainly I had no such fear myself.

Mr. SHELLABARGER. I desire to get a little more definitely into my mind the provisions of this act of Congress of July, 1864, under which

your road was constructed, and which you allude to in your answers rendering it difficult to construct the road in literal compliance with provisions. This act provides that the Union Pacific Railroad Compa shall cause books to be kept open to receive subscriptions to the capi stock of the said company, until the entire capital stock of one hund millions shall be subscribed, at the general office of the company in N York and at other places named. It also requires that money only sh be receivable for any such assessments or as equivalents for any porti of the capital stock subscribed. It also provides that the company sh make assessments on its capital stock of not less than five dollars p share, and at intervals not exceeding six months from and after t passage of the act, until the par value of all shares subscribed shall fully paid. Now my first question is whether you design to be und stood as saying that those requirements which I have cited were n that they could not practically, in the construction of the road, ha been literally complied with.

The WITNESS. They could not, with the understanding or with the c struction that this committee puts on those provisions. They w supposed to be complied with by the officers of the company, inasm as they were advised by counsel (and inasmuch as it was the custom build railroads having similar provisions in that way) that it amount to a compliance both with the letter and spirit of the law. But, if t construction which the committee puts on these provisions is corr then I say that the provisions could not have been literally compli with in that sense.

Mr. SHELLABARGER. What is that construction of the committee which you allude, and with which you say a literal compliance wo have been impossible if the road was to be built? Give what you u derstand to be the construction of the committee, which you say co not be complied with.

The WITNESS. I understood the committee, or some members of it, have said that it did not seem to them that the paying for this stock a debt of the company was a literal compliance with the provisions the law, or, in other words, that if anything was paid for the constru tion of this road in consideration of receiving stock in part payment more than would have been paid for cash down—it was a non-compl ance with the provisions of the law.

Mr. SHELLABARGER. Then your answer is, that if the law was construed as to prohibit the taking of pay for stock of the Union P cific Railroad Company in work done for the road at prices augment by reason of the fact that pay was to be taken in work at higher rat then the work could not have been done, and the road could not ha been built.

The WITNESS. Yes; the road could not have been built. In oth words, if it had been required to make a cash-subscription previous to a contract being given, I am quite certain that it could not have be done, for the reasons which I have given—that under those circu stances no money could possibly have been realized out of it; and capitalists would go into an expensive and hazardous operation, invol ing many millions of dollars, with the certainty that in no event co they make any profit, and with the risk of losing all that they put in.

Mr. SHELLABARGER. Were not those two reasons the ones prin pally on which you rested your statement that the construction of t road would have been impracticable under the interpretation whi you say is given to the law by members of the committee: first, th it left open the subscription-books to all persons in the United Sta

to subscribe until one hundred millions of stock were subscribed; and ...ould, that those who came in last, after the enterprise had been made ...ss of success, would share equally in the profits with those who had ...barked in it when it was hazardous; are those the two principal ...sons which you say would have rendered it impracticable to make ...e road under that interpretation of the law?

The WITNESS. I should say they were the strongest reasons.

Mr. SHELLABARGER. The charter contains a provision that the capital stock of the company shall not be increased beyond the actual cost of the road, and that provision is in the same second section that contains the provisions which I have cited, making the capital stock ...,000,000, and requiring books to be kept open to receive that amount of subscription. What I want now to ask you is whether or not the difficulty that you say was in the way would not have been removed, provided you construed the law to require you to keep the books open no longer than until the company had received such an amount of capital stock as would finish the road?

The WITNESS. Not at all; because the road might be very nearly finished—might be finished to such an extent that everybody would see just what the risk was, and how profitable it would be to the company, and then come in and subscribe for stock and deprive those parties who had built the road, and had taken all the risk and furnished all the capital, of any profits that they would be justly entitled to for assuming that hazard, employing that capital, and performing that labor.

Mr. SHELLABARGER. Then, in constructing the road, did the board of directors act upon the theory that they might close the books so as to prohibit an amount of subscription beyond the actual cost of the road, or did they not, so far as you know?

The WITNESS. So far as I know, that question was not brought up in the board of directors. I am only expressing my individual opinion, and how far it governed my individual action, and the action of those with whom I conversed, who were connected with the road, and also of those who were solicited to subscribe, and who utterly refused to do so on that account.

Mr. SHELLABARGER. What hazard would there have been incurred, even by the first stockholders, had they complied with the requirements of the charter in having all subscriptions paid in money only, and in having assessments made as required in the second section, so that they would have had all the capital stock represented by actual money, with the board of directors limiting the aggregate amount of capital stock to an amount not exceeding the actual cost of the road as provided in the second section?

WITNESS. I did not suppose that any right construction of the law would limit the capital stock only until the road was finished. That was the view which every one took from the start. I never heard any other view presented. I did not suppose that any other view could properly be taken of it. That being so, you will see, of course, that there was very great hazard; that it was a very hazardous enterprise, so hazardous that I expect the general belief was that it was almost an impossibility to build the road across the continent in that way. Very few people had any faith in it whatever.

Q. Were you ever advised, as a board of directors, during the progress of this work, that the law was that those who gave their money in payment of stock at the beginning of the organization would not be entitled to any compensation for interest as against the stockholders who subscribed last—before these last subscribers should share equally with them

in the dividends out of the net earnings of the road?—A. I do not know that that was ever mentioned.

Q. Would there have been any material hardship in the case stated in the question asked by Mr. Hoar had the board of directors or the court given to those stockholders who subscribed first the interest on their money during the time they were out of it, up to the time that the dividends began to be made out of the earnings?—A. No; there would be not only no impropriety in it, but I think there would be very great justice in doing so.

Q. Would not that have equalized things so as to have removed what you state was a practical difficulty? Suppose that the law be such that those who contributed their money early in the enterprise should, as against those who contributed late, be entitled to the interest on their money during the time that they were out of the money in excess of the time that the later stockholders were out of theirs, would that not have removed the difficulty?—A. I do not think that it would, or that it would have been regarded by capitalists as compensation in any way commensurate with the risk taken. The interest on the money would be a very trifling consideration to people who make such investments, as against the hazard and risk of maturing an enterprise like that.

Q. Coming now to another matter. It appears by the reports made to Congress in 1866 that a very advantageous route, with a 90-foot maximum grade across the first range of mountains, the Black Hills, is fully described. There is other evidence tending to show that the character of the route which was adopted, and on which the road was made, was fully known, not only to the board of directors, but also to the Government, prior to the letting of the Oakes Ames contract. It also appears, from evidence in the case, that the company received about $27,500,000 in Government bonds for making that road. It is also provided in the charter that the company should receive these bonds on the completion of each twenty miles. It is also provided by the law that the company should be authorized to issue a mortgage on the entire property of the road, equal in amount to the Government bonds loaned. It also appears that the company had the power from the start to make a kind of mortgage, which it did make, securing the land-grant bonds. Now, taking into consideration the character of that route as it in fact was, and as it was disclosed to be by these reports returned to the Secretary of the Interior, and taking into consideration all those assets furnished by the Government and by the first-mortgage bonds and the land-grant bonds, what great hazard was there even at the beginning in embarking in this enterprise?—A. Looking at it from our stand-point in the present time, it would seem as though the hazard was very little in comparison with what it was supposed then to be. Being chairman of the finance committee, I found it necessary to visit a good many capitalists and a good many banks, and to raise money on the company's securities; and I found a universal distrust of the ability of these men to put that road through, on account of its being supposed to be a very hazardous undertaking, growing out of many causes, more particularly the supposed difficulties of getting over the Rocky Mountains. I can only say, with reference to that report of the Government directors to which you have called my attention, that that is a matter of which I knew but little. I think that the directors and the stockholders generally, even those who took the most interest in the matter, knew comparatively little about it. It belonged more particularly to Dr. Durant's department; and if he was well informed of these matters, he concealed his information from the board and from the stockholders.

impression was, and I acted on that impression, (and I am very confident that it was the impression of most of the other gentlemen associated with us,) that it would be very much more expensive to get over the Rocky Mountains than we found it to be. I think that the expense of building the last one hundred and fifty miles was very much more than we anticipated, and that the expense of building over the Rocky Mountains was very much less than we anticipated.

Q. A gentleman who is familiar with the road, and who has had large experience in building railroads, described to me yesterday the character of this route, and I wish to ask you a question about it. He said that he thought there was as much as two hundred miles of it that was without a culvert or a bridge; that it was, taken altogether, one of the most favorable lines for ease of construction, aside from the matter of transportation of the supplies, but just taking the topography of the country and the character of the route itself into consideration, one of the easiest on the continent, and that it should not have cost, on an economical construction, over $19,000 a mile, excluding equipments. Now, my question is, whether that kind of description is accurate. If not, just tell the committee generally, and once for all, what the truth is in reference to the natural difficulties of the route, and the necessary cost of constructing the road, excluding the rolling-stock.—A. That would be too low. I have built a number of railroads, or have furnished money to build them in part, and I am very well advised about the matter. It is a pretty easy route, as a whole, until you get to what they call the Black Hills, then of course it is much more difficult; but it is a pretty level country, and the grades are light, and it was not a difficult road to build by any means for a good part of the way. I should say that the first 500 miles of that road were about as favorable as any road in the country of any length. It has as few culverts, as low grades, and was as easily built as almost any road I know of in the country of any length. But still it was necessarily very expensive for the reason I have given. The natural topography of the country renders it a very easy road to build for that distance, all things else being equal.

Q. Then as to the Black Hills; what was the character of that portion of the road?—A. I have never been over it but once, but I was surprised when I did go over it to find that the topography there was so favorable; but still it was, of course, necessarily very expensive.

Q. That was the region on which you drew three times $16,000 a mile?—A. Yes; but although the grade is light and the road easily built, yet the fact of the country being a desert, independent of any other circumstances, would make the road exceedingly expensive. They had to convey water a long distance, and it was difficult to get men without paying very high wages, and they had to work at great disadvantage.

Q. State what the construction of the road would have cost, excluding rolling-stock and equipment, if constructed with usual and proper economy.

The WITNESS. You mean under ordinary circumstances?

Mr. SHELLABARGER. No; I mean as it was, taking into view all of these circumstances except the unusual speed and haste with which it was done.

A. I stated that I thought the road might have been built, if in the most economical manner, for $45,000 per mile, thoroughly equipped.

Q. And the equipment would cost $7,500 per mile?—A. More than that, I should think. The equipment must have cost $10,000 per mile.

Q. For which the Oakes Ames contract only entitled you to $7,500

per mile?—A. I do not know that it was more than that when the road was opened, but I should think that now it is more than that. That matter I never looked into much, and my opinion would not be of much value in reference to the details.

Q. Then you give $45,000 a mile as the necessary cost of the road including equipment?—A. I think I could have built it for that myself if I could have had the whole management and control of it, and had had plenty of time to build it in. A small portion of the road must have cost considerably more than that. I stated before the other committee that I thought it could have been built inside of fifty millions.

Q. Does that remark apply to the whole line from Omaha to the western terminus of the Union Pacific Railroad?—A. Yes; that is, if they had had plenty of time and could have done it in the most economical manner; but we were plundered a good deal all along the line of the road by everybody, who seemed to think that we were fair game.

By Mr. HOAR:

Q. Which fifty miles of the road do you think was the hardest to build; would it be along the Black Hills, and what do you think they have cost?—A. No, I think beyond that. I do not know exactly. I should say that the hardest fifty miles may have cost more than $5,000,000.

Q. Have you any knowledge on that subject?—A. No, it is only an impression. I have no knowledge that would warrant me to give an opinion that would be of any value. I know that some of it was monstrously expensive.

By Mr. SHELLABARGER:

Q. In the plan which you did adopt for the construction of this road state what it was which obviated that difficulty by which any person (under the charter as construed by some) would be entitled to come in and subscribe for stock up to the time of the completion of the road, or until a hundred millions of stock was subscribed.—A. Nothing was done to obviate that difficulty. Of course it was the right of everybody to come in and subscribe for stock who chose to do so, but it would not have been profitable to do so.

Q. Why?—A. Because the road was constructed by this construction company and stock taken in pay, and that stock could be bought for something less than par, and of course nobody was going to subscribe and pay par for stock when they could buy it for anything less than par, even if it was 95; and I think nobody has testified here that anybody regarded the stock as worth over 80 cents.

Q. Then the thing that prevented persons from coming in and subscribing and agreeing to pay cash at par for this stock was the fact that, in the way the thing was managed, the stock was rendered worth less than par, and nobody would subscribe for it at par in money?—A. No. I do not think anybody was prevented from coming in, because nobody would come in any way. The first subscription that was made to the amount of some two million dollars, on which I think some half million was paid in, was abandoned. The subscribers said that they would rather lose all they had paid in than go any further and incur the great risk in going on with the investment. It was not until after the experiment was tried that this construction company scheme was resorted to.

Adjourned.

WASHINGTON, D. C., *February* 5, 1873.

T. Z. HOOVER sworn and examined.

By Mr. SHELLABARGER:

Question. Where do you reside?—Answer. At 1425 Fifth street, Washington City.

Q. How long have you resided here?—A. I was born here. I call no other city my home.

Q. Do you know of any officer connected with any of the executive departments of the Government having ever received any Union Pacific Railroad bonds? If so, state all that you know about it.—A. The only officer I know, in relation to these bonds, was C. C. Cox. He was then an officer of the Government. Mr. Smith came to me and represented himself to be in direct influence with certain members of Congress.

Q. When was that?—A. In the latter part of 1868 or '69—my books will show the date—Mr. Smith came to me and wanted me to negotiate $30,000 of Union Pacific Railroad income bonds. I negotiated the sale of those bonds. He came to me the next day and wanted me to sell some more bonds of the same kind—I think eight hundred or a thousand dollars' worth. These were negotiated, or sold. Some two or three days after that he came and asked me if there could be a negotiation of $30,000 of Union Pacific Railroad bonds. I said I did not know; but that I thought that it could be done. He then said to me that those bonds were in New York City in a banking-house, the name of which I do not know. C. C. Cox was part owner of those bonds at that time.

Q. How do you know that?—A. Mr. Smith stated that Dr. Cox, who was then Commissioner of Pensions, was part owner. A few days after that Mr. Cox called upon me, and asked me if I could negotiate certain bonds which he and Mr. Smith held. I told him I thought I could. I called on Mr. H. D. Cooke, of this city, and stated to him that I had about $30,000 of Union Pacific income bonds, and that the owner, Mr. Cox, wanted to have a loan on them. Mr. Cook told me what he would do on the loan; and I notified Mr. Cox of the best that I could do. Mr. Cox said that that was acceptable; and he then telegraphed to the banking firm in New York for the bonds. The bonds arrived by express; and when they came, Mr. Cox and I called upon Mr. Cooke. It was after 4 o'clock in the evening. Mr. Cooke saw us, and stated that he would have given that much for the bonds if they had been brought to him the day when I first mentioned the transaction; but that as the bonds had depreciated in value since then, he could not give the sum that had been agreed upon. Mr. Cox then borrowed a particular amount from Mr. Cooke on those bonds; but not the amount that was originally intended to be borrowed. A few days after that, Mr. Cox paid me a sum of money, and stated that it it was on my commission for negotiation of the bonds. Some days after that there were some other bonds of the same denomination put into my hands for negotiation, and I negotiated them.

By Mr. HOAR:

Q. Put into your hands by whom?—A. By C. C. Cox, and Mr. Smith; they were together.

Q. How many bonds in all did you receive from C. C. Cox?—A. I cannot be positive of the amount; I think I must have received from him and Smith in the neighborhood of $35,000. That is the whole transaction.

By Mr. SHELLABARGER:

Q. What description of bonds were they?—A. They were what they call the Union Pacific Railroad income-bonds. They were not what you call the mortgage-bonds.

Q. Who received the money raised on the hypothecation of those bonds?—A. Mr. Cox received some, and Mr. Smith received some. I think that all the money that proceeded from my hands into the hands of Mr. Cox in cash was in the neighborhood of four or five thousand dollars. Mr. Cox stated to me that he had realized with Smith $16,500 on some other bonds, which he had given to me, but which I had returned to him. They were bonds of the same kind. I had returned them to him as non-negotiable.

Q. From whom did he realize this money?—A. He told me that he had realized some of it from H. D. Cooke, and some other source.

Q. What office did Mr. C. C. Cox hold at that time?—A. The first time that I had anything to do with him he was in the Interior Department. After he left the Interior Department he opened an office on F street, as a practicing physician.

Q. Was he in the Interior Department at the time he said he realized this money?—A. I am not positive whether he was or not.

Q. What is the first transaction you had with him while he was in the Interior Department?—A. The negotiation of this four or five thousand dollars in bonds.

Q. Can you give the date of that first negotiation?—A. I cannot, without my books. I can produce the books at the next meeting.

Q. You had better do that. How did Dr. Cox tell you that he became possessed of these bonds?—A. I asked either him or Smith how it was that they had so many income-bonds, and he said, "It is through influence that we got possession of those bonds."

Q. Did he say what influence?—A. He gave me to understand that it was for getting certain legislation through Congress that he got those bonds; that is the way I understood it.

Q. State his words, or the substance of them, rather than your understanding.—A. As nearly as I recollect now, the words were that what he was doing was lobbying in Congress, and that through those means he had got possession of those bonds.

Q. Was it Smith or was it Cox that said that?—A. Mr. Smith said that. Mr. Cox was standing there at the time, and I may have said, "Mr. Cox, you are in the same ring," or something of that kind. Cox said, "We all float in the same boat." I recollect that, because it is something that I never heard before or since. That was in Mr. Cox's office.

Q. Was it in Mr. Cox's hearing that Smith said that the bonds had been got through influence?—A. I suppose it was; we were all in the same office.

Q. Did you ever hear Cox say whether he and Smith were jointly interested in the ownership of these bonds?—A. Yes, sir; Cox stated to me that Mr. Smith and he had joint ownership. When I receipted for the bonds I receipted to Cox and Smith jointly, and I considered that they were partners in the bonds.

Q. How much did that receipt for?—A. When the thing was closed up I think it was in the neighborhood of $30,000. It was all receipted for at once.

Q. Do you know whether Mr. Cox had become owner of those bonds before he ceased to be connected with the Interior Department?—A. I understood that he was in the Interior Department at the time. I cannot

r the date without my books. I will fix it at the next meeting of the committee.

Q. Is that all you know about that matter?—A. That is all I know concerning Government officers, directly or indirectly.

Q. Do you know of any money, bonds, or other thing of value, having been paid to any member of either House of Congress for the purpose of influencing legislation relating to the affairs of the Union Pacific Railroad Company or of the Credit Mobilier of America?—A. I do not know anything of my own personal knowledge in reference to money being paid to members of Congress. I saw none paid myself.

Q. Have you any information to that effect?—A. I have no information further than this: I was shown a receipt at a certain time purporting to be signed by a member of Congress for certain shares in the Credit Mobilier.

Q. What was that receipt, and who showed it to you, and who signed it?—A. This man Smith showed it to me.

Q. Go on and state what the receipt was.—A. This man Smith came to me one morning and said that he had to have five hundred dollars. I got him five hundred dollars on a certain security which he put in my possession—a patent. He told me that he had some business with a member of Congress, and that he was going to get some bonds for his influence in legislation. I asked him who it was, and he said it was Kelley, of Pennsylvania. He came back in the afternoon and said that he had a receipt from Mr. Kelley. Further than that I do not know.

Q. You said that you saw the receipt?—A. I saw a receipt, but I cannot say positively whether Mr. Kelley's name was to it. It was in the name of Kelley, but whether Mr. Kelley's first name was to it or not I do not know.

Q. When was this?—A. About two months previously to the negotiation of any of these income-bonds—in 1868.

Q. Give us the contents of that receipt, as far as you are able to do it.—A. I am not positive as to the amount, but I think that it was in the neighborhood of eight or ten thousand dollars. Smith stated to me that he wanted the five hundred dollars in hand to pay Kelley. In the afternoon he came back and showed me the paper that he took out of his pocket. I glanced over it and saw the amount, whatever it was. He stated that he wanted that amount of bonds negotiated in a few days. I took a memorandum of the amount, which is on my books, in order to see whether I could negotiate that amount of bonds; but he never brought me the same amount of bonds that he said he was to bring.

Q. On what were you to raise the money?—A. On Credit Mobilier stock, or on Union Pacific Railroad income-bonds.

Q. Had Smith the stock with him?—A. He had the stock.

Q. Did he show it to you?—A. He put it in my hands.

Q. Did you attempt to negotiate it?—A. I thought that I was to negotiate it, but he never put it into my hands for that purpose.

Q. Did he deliver it into your hands so that you had a hold of it and examined it?—A. I had a hold of it just as I now have of this piece of paper. He took the stock out of his pocket, and I had it in my possession. To the best of my knowledge and belief the stock was Credit Mobilier stock, and the bonds were Union Pacific income-bonds.

Q. And did you then and there deliver the papers back to him?—A. I handed them back to him.

Q. Did you do anything with a view of negotiating those securities?—A. I called on one bank in this city.

Q. Did you succeed in negotiating a loan upon them?—A. I did not succeed that day. I could have got the loan, if the bonds had been in my possession. The Merchants' Bank here agreed to loan me money on those bonds.

Q. Who is this Mr. Smith?—A. I do not know his first name. I always supposed that he was a lobbyist. He was living at that time on Sixteenth or Seventeenth street, between I and K, with a preacher, who died some time ago.

Q. What was the preacher's name?—A. I do not know. He was in the Interior Department at the time. He was the oldest preacher that we had in the city.

Q. Was Mr. Smith connected in any way with the Government at that time?—A. I do not know for certain that he was. He told me that he was employed under the Secretary of the Interior.

By Mr. HOAR:

Q. What is your occupation?—A. I am in charge of a mercantile agency in this city.

Q. What has been your occupation for the last five years?—A. I was employed under the board of health here for a while.

Q. In what capacity?—A. Master of the District pound. Dr. Cox was at that time president of the board of health. Previous to that I was a broker and real-estate agent, doing business at No. 4 Seventh street.

Q. How long were you a broker?—A. Upwards of three years.

Q. What was your occupation before that?—A. I kept a grocery till I went into that business; I was in the grocery business three or four years.

Q. What is the duty of pound master?—A. To keep the animals that may be found running at large.

Q. And you were appointed under Mr. Cox?—A. It was a contract, not an appointment; I got a contract from the board of health.

Q. Did you have any difficulty with Mr. Cox?—A. No, sir.

Q. Your relations with him have been friendly?—A. Yes, sir; I consider we are on good terms.

Q. Have you had any reason to have any ill feeling or dislike toward Dr. Cox?—A. No, sir.

Q. How do you feel towards Mr. Smith?—A. I am not on very good terms with Mr. Smith, and have not been for some time back; there was a difficulty between me and him in regard to certain commissions.

Q. Have you ever been under any indictment or complaint for a criminal offense?—A. I have been under complaint in this city.

Q. For what?—A. They term it office-broking.

Q. What did they call it in the indictment?—A. I think they called it in that indictment obtaining money under false pretenses.

Q. What became of that indictment?—A. I understood that for want of evidence the indictments have gone over.

Q. Were you put on your trial?—A. No, sir.

Q. Was there more than one indictment against you?—A. All that came up were dismissed but one; I think they were non-prosed by the district attorney. Anyhow they did not come to trial.

Q. How many of these charges were there against you?—A. There were two at one time, and one shortly after. When I was pound-keeper I had some difficulties before the court; but the court dismissed them in every case except one.

Q. Were these charges what are called blackmailing, in popular parance?—A. I understood it to be what you term blackmailing.

Q. Do you know Judge Kelley?—A. No, sir.

Q. You never had any difficulty with him, or reason to entertain aniosity or unfriendly feelings toward him?—A. No, sir.

Q. Do you know his handwriting?—A. No, sir; I never saw it, to y knowledge.

Q. You say that this document which Smith put into your hands purted to be from Kelley?—A. Yes, sir; I said it was Kelley's receipt; think it was in the neighborhood of $5,000.

Q. Did Mr. Smith state how Mr. Kelley came to give him a receipt for 5,000?—A. When he called upon me in the morning, he said he was oing to have some legislation; I do not know what it was.

Q. And you had no curiosity to inquire what it was?—A. I did inuire; he told me it was in regard to legislation, but he did not tell me hat the legislation was about.

Q. Did he desire some legislation in reference to these bonds?—A. No; e did not say that he desired legislation in reference to these bonds, ut that it was in the interest of these bonds that the legislation was to e.

Q. You mean, I suppose, that it had some relation to the road that ained these bonds, or to something that affected their value or vaidity?—A. I mean to be understood that these bonds had to be upheld n some way. That is what I took it for.

Q. And he showed you a document; did you read that receipt?—A. am not positive that I read the whole of it.

Q. Did you see the handwriting and the name attached to it?—A. I w the handwriting, and I saw the name, but I do not recollect seeing he first name. I am almost positive I saw the name of Kelley. It is ome time ago. I took it as a receipt.

Q. You knew that Mr. Kelley was a distinguished member of Congress at that time?—A. I had the impression that Mr. Kelley was a man f great influence.

Q. A transaction showing that he had been bribed would be likely to ake an impression upon your mind?—A. Under some circumstances t would.

Q. Did that transaction excite your curiosity enough, when that docment was shown to you, to induce you to read the paper?—A. I think I read the paper through, and I took it as a receipt, but at the present ime I cannot swear positively to the name signed to it.

Q. Is there anything concerning that transaction, concerning these onds and stock, apparent on your books now?—A. I guess that the memorandum that the bonds were to be negotiated is there.

Q. If that transaction is there it will show the date, I suppose?—A. t will show the date of the original transaction.

Q. Will you produce those books before the committee?—A. I will roduce the book in reference to these bonds. I cannot produce anyhing in reference to the receipt.

Q. Have you ever seen certificates of stock of the Credit Mobilier at ny other time?—A. I never saw any before or since.

Q. Describe the appearance of those certificates.—A. The certificates hat Smith brought to me were similar to the Union Pacific Railroad ncome-bonds.

Q. You said that he placed in your hands certificates of stock in the redit Mobilier, and these bonds. Now, be good enough to describe the ppearance of the stock-certificates of the Credit Mobilier?—A. The

certificates were folded up with the income-bonds, and were inclosed i a wrapper, on which was stated the number of bonds and stock. I di not open them to look at them. I think the wrapper stated that the was $5,000 in stock in the Credit Mobilier, and $5,000 of Union Paci income-bonds.

Q. Do you know, of your own knowledge, that there were any incom bonds or certificates of stock in that wrapper?—A. Smith drew on paper out and said that there was Credit Mobilier stock and Union P cific income-bonds, and that he wanted them negotiated.

Q. What did you do with the document when you had it in you hand?—A. This document was just as it were sealed up, like an enve ope with the ends cut off, and he said it contained $10,000 in bonds an stock. I took the package, and then returned it to him.

Q. How long did you keep it in your hands?—A. Not longer than t glance over the back of it, and then I handed it back to him.

Q. You did not open the package, or see what was in it?—A. I di not tear the package open.

Q. Did you see what was in it while it was in your hand?—A. I di not see the amount of anything that was in it. The package was op at each end.

Q. Then you do not know, except from the indorsement of this pap and the statement of Mr. Smith, that there was any Credit Mobili stock in it at all?—A. I cannot swear positively that the Credit Mobili stock was there, because I did not see it.

Adjourned.

WASHINGTON, D. C., *February* 6, 1873.

CHRISTOPHER C. COX sworn and examined.

By the CHAIRMAN:

Question. Were you ever connected with the United States Gover ment as an officer?—Answer. Yes, sir; I was Commissioner of Pensio from August, 1868, to May or June, 1869. I resigned, I think, early May.

Q. Did you ever, while an officer of the Government, own, or ha any interest in, any of the bonds of the Union Pacific Railroad Co pany?—A. Never.

Q. Did you ever have any of what is commonly called the incom bonds of the Union Pacific Railroad Company at the time you were Government officer?—A. Never.

Q. Did you at any time immediately before or after you were officer have any of those bonds?—A. No; not immediately before after. I owned in 1870, for a few days, a few of what were called think, the third mortgage or third income-bonds of the eastern divis of the Union Pacific Railroad Company, the Kansas road. It was a m ter of purchase and sale, occupying a few days. But never, during connection with the Interior Department, or with any other public off have I owned or held or had any connection with any sort of bon whatever.

Q. Did you ever have an interest in any bonds connected with th road or any of its branches, which you sought to negotiate with Cooke of this district, or his bank?—A. Yes, sir; those are the bo I refer to. That was in 1870, while I was a practicing physician Washington.

Q. Did you apply, either through a Mr. Smith or in any other way, to Mr. T. Z. Hoover, of this city, to have money raised on those bonds, either by hypothecating them or selling them?—A. Perhaps I had better relate the whole transaction. I think it was some time in 1870 that Mr. Smith, whom I have known for many years, an intelligent, upright gentleman of this city, mentioned to me that he had disposed of third-mortgage income-bonds of the eastern division of the Union Pacific Railroad Company through a Mr. Hoover, who was a loan-agent and money-broker on Seventh street, at some advance over the price paid by Mr. Smith for the bonds, and that Hoover had professed his ability to sell any quantity of those bonds at a similar advance. Mr. Smith desired to know if he could introduce this Mr. Hoover to me. I had never heard of the man, and knew nothing about him up to that time. I said I had no objection. Hoover was introduced, and said that he could dispose of any number of those bonds at an advance to a party who was buying them up for the purpose of keeping them. At that time those bonds were not quoted in the market at all, and had no fixed price. He subsequently informed me that the party to whom he alluded was Mr. H. D. Cooke, with whom he said he was intimately acquainted, and that Mr. Cooke would purchase them at a certain price. "Well," said I, "you are a stranger to me; I know nothing about you. If this is confirmed by the combined evidence of Mr. Smith and yourself, that those bonds can be sold at an advance, I am perfectly willing to make a negotiation through you." The report returned to me was that Mr. Cooke would buy them at that price.

Q. What was that price?—A. I have forgotten; it was an advance of some dollars on the bonds, but not a great deal. I am not certain that I went subsequently to Mr. Cooke's house and propounded the question to him, but I am under the impression that I did so, and I felt confirmed in Hoover's statement that the bonds would be purchased at such a price. I then ordered the bonds, and, on presenting them to Mr. Cooke, he declined to purchase, stating that he had been mistaken in the bonds, and that those were not the bonds he wanted. I think that he said the bonds he wanted were the second-mortgage bonds, or the income-bonds, which were already quoted at a far higher price that that I had asked for those bonds. Of course, I was a little surprised that he should make that mistake. However, the bonds were subsequently purchased, I think, at an advance of one or two dollars, not more than enough, I believe, to pay the expenses of the transaction, by the banking house of Reese & Co., of Baltimore, and that ended the entire transaction. I had no knowledge of Mr. Hoover, whatever. Subsequently he was appointed, during my official term as president of the board of health, pound-master, and we were very soon compelled to throw him out, owing to the extreme odium which attached to his name everywhere, and the universal pressure to have him removed. I suppose that that accounts for his *animus* in the present instance, so far as I am concerned. That is all I know of the transaction, which I looked upon as a perfectly legitimate and proper business transaction. I never referred to it again. My memory is distinct as to the facts that I have stated, but I do not recollect any other details. I know that the whole transaction ceased at that point.

Q. What was the aggregate amount of the bonds proposed to be sold to Mr. Cooke?—A. I think about $10,000.

Q. Were those bonds in New York at the time that the negotiation for their sale began here, and were they procured to be sent from New

York?—A. Yes; they were procured from New York through my br who is in a banking-house there.

Q. Were they at the time the negotiation began here hypothec New York, or pledged as collaterals there?—A. Not at all. The purchased on a sight-draft.

Q. Were they purchased after you received the information as t Mr. Cooke would be willing to pay for them, or did you own th that time?—A. I did not own them at that time; I purchased subsequently.

Q. You purchased them for the purpose of selling them here Certainly. And I will state that I was so very certain that th would take place at the time that I made no provision for the dra Mr. Cooke was kind enough to advance me the amount neces pay for the bonds, and to receive the bonds as collateral. It was they were lying in bank that they were sold to other parties.

Q. Did you realize from the bonds at that time in all about $ in money?—A. I did not realize $1,600 or $500. I do not thin the whole profit amounted to more than one or two hundred dolla

Q. I do not speak of the amount of profit. If I remember Ho statement, it was that the whole amount of bonds that were ulti sold for you and Smith was about $16,000, and that Smith and yo represented as being jointly interested in them. You may now whether that is true. Did you, yourself, or did Smith and you to succeed in selling any considerable amount of bonds; and, if so amount?—A. Mr. Smith brought this information to me, and of in any sale that I might effect of the bonds it was my intention vide the profits with him. I think that that was the understa The whole amount of bonds, so far as I can recollect, was about $ That was the face of the bonds. I think they cost nineteen or t or twenty-one cents on the dollar, and were sold for twenty-two or ty-three cents; that is my recollection. They were sold to bank the corner of Calvert and Baltimore streets, in Baltimore. The of the firm, I think, is Reese & Co.

Q. You say that these were third-mortgage bonds?—A. On th ern division of the Pacific Railroad, so far as I can recollect. were not quoted in the market at all.

Q. How do you fix the date of that transaction?—A. I fix the it from the fact that all the negotiations between this party and were in my office on F street, which I occupied after I left the I Department.

Q. Do you know that they did not begin, and that you did not any interest in these bonds until after you were in the office on F str A. Yes, sir; I was in the office at that time. And never before, knowledge, have I owned any bonds of that sort.

Q. Had you ceased to be connected with the Interior Depa before you went into that office?—A. Yes, sir.

Q. Had you any sort of arrangement or understanding, befo ceased to be Commissioner of Pensions, whereby you became enti any of those bonds, or to any other property of the Union Pacifi road Company?—A. Never; I never knew anything about the Pacific Railroad Company.

Q. Did you ever say to Hoover, or to anybody else, that you h quired those bonds, or any other bonds or property, from the Pacific Railroad Company by reason of the influence that you we to exercise?—A. Never, sir; never.

Q. Did any person connected with the Union Pacific Railroa

pany in any way, either directly or indirectly, ever approach you, while you were an officer of the Government, for the purpose of securing your influence, in consideration of money or other value?—A. Never.

Q. What did you authorize Hoover to do in reference to the negotiation of these bonds?—A. Smith communicated with the parties whom he professed to have in view for purchasing—nothing else. My interviews with him were exceedingly few; I do not think that I saw him more than twice.

Q. Did Hoover report to you that Mr. Cooke declined to take the bonds at the prices which he had first stated, owing to the fact that there was a decline in the price between the time he proposed to take them and the time the bonds were produced?—A. I have no recollection of anything of the sort.

Q. Did any considerable time elapse between the time when the proposition was first made to Mr. Cooke and the time when the bonds were ready for Mr. Cooke?—A. No, sir; not more than two or three days at furthest.

Q. What is Mr. Smith's first name?—A. His name is E. J. Smith.

Q. The gentleman now in the room who has reported himself as Mr. Smith is the same gentleman to whom you allude?—A. Yes, sir; the same gentleman.

By Mr. HOAR:

Q. Did you state to Hoover, or to anybody, in word or in substance, that those bonds had been procured for aiding in the passage of any legislation, or that they had any connection with such legislation?—A. I never made any such statement.

Q. Did any such thing ever in fact exist?—A. Never. I knew nothing about the road, and never used the slightest influence, directly or indirectly, or ever was approached about it directly or indirectly.

Q. This transaction was a mere dealing in stocks?—A. Yes, a mere business transaction.

Q. And you never concerned yourself on your own account, or as agent for anybody else, in any legislation that affected them in any form or manner?—A. Never in my life.

Q. So far as you know, did Mr. Smith?—A. Not to my knowledge.

By Mr. SWANN:

Q. What attracted your attention toward those bonds when you made the original purchase?—A. Simply the statement of this party that there was a gentleman who wanted to buy them up, and would pay an advance on the then existing price. I purchased them with a view to sell them in that way.

Q. Had you ever held any of those bonds before?—A. Never, before or since.

Q. Did you ever hold any of the bonds of the Union Pacific Railroad Company?—A. Never; this was the first and only transaction I had of the kind.

Q. What did you give for those bonds?—A. My impression is that I gave either 19 or 20 per cent. for them, and I sold them at probably one or two per cent. advance.

Q. You bought them as a speculation?—A. Entirely so.

Q. And not with a view to permanent investment?—A. No, sir.

By Mr. HOAR:

Q. You have stated that you know this Hoover; do you know what his reputation is for truth and veracity?—A. It is the worst possible

reputation. I do not think there are three persons in the community who would indorse his character for anything that is proper and right. As the president of the board of health it became my duty to dismiss him peremptorily from a subordinate position in that department. He was at the head of the pound at one time, but on account, not only of his personal misconduct, but of the extreme odium that attached to him, and of the pressure from all parties of the community to have him thrown out, I had to dismiss him.

By Mr. SWANN:

Q. Does he still carry on the business of a broker?—A. I do not know; I have not seen him since that time. When he was first introduced to me he was a broker and land-agent on Seventh street, between E and F. He had a very genteel looking office there. I never saw him until Mr. Smith introduced him to me.

By Mr. HOAR:

Q. How came this man to be appointed pound-master, if he bore such a reputation as you have described?—A. I do not recollect. It does not require a man of very remarkable reputation to perform the duties of that office, which consist in taking up animals running at large. A man is generally selected who has the energy and push for the place.

Q. Does he not also have to receive fees from poor people whose animals are caught straying, and would not a dishonest man in that position have opportunities for extortion and plunder on poor and ignorant people?—A. There are two checks—one on the part of the person paying the money, and one on the part of the clerk who receives it.

Q. Who appoints the clerk?—A. The clerk is appointed by the board of health.

Q. Did you have anything to do with his selection as pound-keeper?—A. No, sir; not at all. I do not know how I voted in the matter.

Q. Do you know whether you were aware of Hoover's reputation when he was appointed?—A. I did not know his reputation then as I know it now. There may have been reflections upon him, but I think he brought influence to bear, and that one strong inducement in his favor was the man's energy and go-aheadativeness. It was important to get a man at that time who would do the work effectively.

By Mr. SWANN:

Q. Did he give any bond to the board?—A. I think he did.

By Mr. HOAR:

Q. State whether you have any knowledge as to Hoover's sanity?—A. Not from any personal investigation of his case. I have had the charity to believe that he was insane.

WASHINGTON, *February* 6, 1873.

E. J. SMITH sworn and examined.

By Mr. HOAR:

Question. Were you at any time in the Interior Department?—Answer. I was clerk in the geological cabinet in the Land-Office. I resigned my position about eighteen months ago.

Q. Do you know a man named T. Z. Hoover?—A. Yes.

Q. Did you at any time have any transaction with him, or propose any

transaction with him, in reference to the bonds of the Union Pacific Railroad Company, in which Dr. Cox was in any way concerned?—A. I did.

Q. State that transaction.—A. It was my misfortune to meet this person Hoover in this way. Passing up Seventh street, I noticed his sign as broker and real-estate agent, and I entered his office. I had never seen him before that time. In a conversation I asked him if he could negotiate a bond, not of the Union Pacific Railroad Company, but of the Union Pacific Railroad Company, Eastern Division, now Kansas Pacific. He stated that he could. I then intrusted the bond in his hands to negotiate for me. Had I then known him I should not have done so without some security. He did sell this bond for me at a price a little above what they had been selling for. They were not quoted, and had no market value at that time. Afterward I had another misfortune in introducing him to Dr. Cox. Then follows this transaction which Dr. Cox has stated and stated correctly.

Q. You have heard Dr. Cox's account of that transaction?—A. Yes; and those are the facts substantially.

Q. Where did you obtain the bonds which he negotiated for you?—A. I received them from a gentleman named Cheever, on account of money due to me.

Q. How many bonds did you have?—A. I cannot recollect, but the amount was under a thousand dollars.

Q. You are sure you did not receive over a thousand dollars?—A. No, I did not receive over a thousand dollars.

Q. Did you ever have any transactions, directly or indirectly, with the Hon. Wm. D. Kelley?—A. Never. I never had the honor of meeting the gentleman. I did not know his name until yesterday, when I was invited on the floor of the House by Mr. Dunnell, of Minnesota. Mr. Kelley was speaking on an appropriation bill, and Mr. Dunnell told me who he was. I only knew him by political reputation.

Q. Did you ever state to Mr. Hoover that you had received any railroad bond, or any stock of the Credit Mobilier, or anything else, from Mr. Kelley?—A. Never.

Q. Did you ever state to him that you had paid, or were to pay, Mr. Kelley any money for anything?—A. No, sir.

Q. Did you ever exhibit to him a document, purporting to be a receipt, or which you said purported to be a receipt, from Mr. Kelley for money or anything else?—A. No, sir; never in any form whatever.

Q. Mr. Hoover has stated in substance that you exhibited to him a package, which you said contained a number of $1,000 income-bonds of the Union Pacific Railroad Company, and some stock of the Credit Mobilier; did you ever do that?—A. I exhibited to him an envelope that contained a few hundred dollars of these Kansas Pacific bonds.

Q. Was that at the time he negotiated them for you?—A. It was at the time we commenced our negotiations, as I have stated.

Q. Are the two transactions—the one Dr. Cox has related and the one you have just described—the only ones you had with Mr. Hoover?—A. The only ones. He has come to me with some schemes, but I have always repulsed him.

Q. Did you ever possess any stock of the Credit Mobilier?—A. Never.

Q. Did you ever say that you possessed any?—A. Never.

Q. Did you ever represent to Hoover that you had in your hands any stock of the Credit Mobilier?—A. Never.

Q. Do you know now what the reputation of that man is as a man

of truth and veracity in the community?—A. The reputation of the man is, that he is a thief, a liar, and a perjurer. That is the common repute.

By Mr. SWANN:

Q. Do you know how long Mr. Hoover has been a resident of Washington?—A. I cannot say, not having met him prior to this transaction. It was after this transaction that I learned his reputation, and then I cut loose from him.

Q. What was the amount of the bonds he sold for you?—A. I think only one bond. The amount was under $1,000.

Q. Was Doctor Cox jointly interested in that bond with you?—A. No, sir; that was my own transaction.

WASHINGTON, D. C., *February* 6, 1873.

WILLIAM D. KELLEY sworn and examined.

By Mr. HOAR:

Question. Have you ever known or seen, before to-day, Mr. E. J. Smith, who has just testified before the committee?—Answer. I saw him for the first time in my life, to my knowledge, when I entered this room. I did not know the person by name, and I was surprised when he mentioned the fact that he was Mr. Smith. Looking at him now again, I state that I never have, to my knowledge, seen him before.

Q. Have you ever given to him, or to any person whatever, any paper acknowledging the receipt of money or of anything of value, in consideration for any services in regard to legislation in Congress, other than your receipts to the Sergeant-at-Arms for your salary as fixed by law?—A. I have not; and I am happy to say, as I do under the solemnity of my oath, that I have never received, in way of compliment or testimonial or compensation, previous or subsequent thereto, directly or indirectly, any consideration for the course of legislation I have followed, either in speech or vote.

Q. Mr. Hoover stated to the committee yesterday, that Mr. Smith exhibited to him a receipt purporting to be a receipt from you, having previously stated to him that he was about to pay you something in respect to some legislation, by which, as Hoover understood it, the bonds of the Union Pacific Railroad Company were to be upheld. Mr. Smith, who has been on the stand, denied that he ever exhibited any such document to Hoover, or ever had any such document in his possession, or ever stated that he had, or heard of, any such document, or that any such transaction took place. I do not know that, after your answer to the previous question, it is necessary to call your attention to this testimony, but you may make any statement in reference to it that you think fit.—A. If I am the person referred to, the statement is without foundation, in fact or in appearance of fact. To no Mr. Smith, and to no other human being, have I ever given written or oral promise or contract, implied or expressed, touching any such matter. I have never to my knowledge seen a bond or share of stock of the Union Pacific Railroad Company. Mr. Henry C. Townsend, my counsel, having recovered some money for me in a suit, invested, by my instructions, as much as purchased one 10 per cent. income-bond for me; but last summer the expenses of my excursion exceeded my calculations and I wrote to Mr. Townsend from Laramie to sell that bond and do

posit the proceeds to my credit in the Fidelity Safety Trust Fund Company of Philadelphia, where I keep a small account, and he did so. So that, although I was the owner of a bond, I never saw one.

In another way I have been even more remotely, and am to-day, connected with certain Union Pacific Railroad bonds. In 1849 I had begun investing my earnings and savings in building-lots, in a triangular lot of ground then owned by Dr. George Hutton, and which is now Forty-first street in the city of Philadelphia. The plan on which it was laid out was in accordance with the then existing plan of that section; but the municipal authorities subsequently discarded that plan and adopted a rectangular one, in accordance with the general plan of the city, whereby I and adjoining owners found ourselves, some with long lines of front and no depth to the lots; some with triangles, and some with no front on any side. It therefore became necessary for us to try and square up. Some three years ago I was the owner of two irregular pieces of ground, that were mainly front, on three streets, while a Mrs. Matilda Ketchum owned the lots that fronted on College avenue; so that, while I had a large quantity of front which had no depth, she had the interior ground and no front. She proposed to sell to me. I tried to exchange, but my property was embarrassed with mortgages and judgments, and that was impossible, and I determined to buy, if possible, Mrs. Ketchum's property. To do so I should borrow money. The Fidelity Insurance Company was willing to loan me money to the amount that I needed, between six and seven thousand dollars, if I could give them collateral security. A friend of mine had at this time $11,000 of Union Pacific Railroad bonds deposited with that company, or which he was ready to deposit with it, and I agreed to pay the company its interest and its charge for keeping these bonds as a safe deposit, and to pay my friend the same amount of interest on the money borrowed that I paid the Trust Company.

These bonds were transferred to the Fidelity Insurance Company as collateral security for a loan to me. So that, without violating the usury law of my State, I am paying double interest on money, with the addition of the dollar a bond, or whatever it may be, for the safe-keeping of the bonds. I have never seen them. At this time having, by sales of property and a mortgage condensed on a single piece, got a large amount free, the Fidelity Insurance Company is about lending me, on a mortgage, $10,000 to enable me to relieve myself from the extra interest which its officers know me to be paying. Other than in this way I have never had, directly or indirectly, to my knowledge, any connection with the stock or bonds of the Union Pacific Railroad Company.

A word as to the character of Mr. Hoover. I never heard of the man till last evening, when I was advised by Judge Cartter, who occupies rooms in the same building with me, that he had just heard that this man had, in some way, involved my name in his testimony, and that he was a man infamous in character. While he talked to me a messenger came asking me to see a friend who had information, perhaps important, to give me. I hastened to him at once, and there I met a group of gentlemen, from some of whom I heard the story of the testimony which had been given. They all seemed to know this man, and, with unanimity, they pronounced him to be a swindler, a perjurer, and a thief. On returning to my room I found two young gentlemen who were helping me to send off some documents, and to whom I mentioned what I had heard. One of them, long a resident of Washington, responded, "Why, that man Hoover is one of the veriest scoundrels in the District. They made him pound-master, and the people of the District were so indignant at

it that they tore down the pound." On inquiry of the gentleman who was kind enough to inform me of the testimony which involved me, as to how I should show this man's character, two answers were made; one was, "Ask anybody about the criminal court, whether a mere lounger there, the tipstaff, the prosecuting attorney, or the judges." Another named three gentlemen, one of whom (General Mussey) has just entered, O. D. Barrett, A. G. Riddle, and Judge Snell of the police court.

Mr. SWANN. A memorandum has just been handed to me by Dr. Cox, stating that it can be proved that Hoover's family consider him insane and a fit subject for the asylum.

The WITNESS. I inquired whether this man was related to Jonah Hoover, a former resident of this city, and a man of unquestioned respectability; the answer was that he was not, that he was of a different family, a very respectable family living in the District, who apologize for his aberrations by the assertion that he is insane; and undoubtedly I believe him to be so.

Mr. SLOCUM and Mr. SWANN each said that the testimony on this subject had gone far enough, and Mr. HOAR (the only other member present) expressed his entire concurrence in that opinion.

Adjourned.

The following testimony, down to and including that of Thomas A. Scott, was taken by a sub-committee (consisting of the chairman) authorized by resolution of the House to take testimony in Boston, New York, and Philadelphia:

BOSTON, MASSACHUSETTS, *February* 6, 1873.

The committee met at the office of the Union Pacific Railroad Company, Boston, at 9 o'clock a. m. Present, J. M. Wilson, chairman.

E. H. ROLLINS recalled.

By the CHAIRMAN:

Question. Can you produce the estimates of engineers that were made prior to the letting of the Hoxie contract?—Answer. I cannot; I have caused diligent search to be made; have made every effort in my power to obtain the estimates, but thus far without success. My efforts are being continued in the same direction.

Q. Can you furnish the original estimates, or copies thereof, of the engineers, made prior to the letting of the Ames contract?—A. I cannot, for the same reason before given.

Q. Can you furnish the original estimates or copies made by the engineers prior to letting the Davis contract?—A. No, sir; for the same reason. I have made diligent search for all these, and have been unable to find them. We are still continuing our efforts.

Q. About what time were the Omaha bridge bonds issued—the first issue?—A. The indenture under which they were issued bears date the 1st day of November, A. D. 1870.

Q. What disposition was made of those bonds? If you have any record in regard to it, read it.—A. This is the record of the executive committee of the Union Pacific Railroad Company. On page 114 of the record I find the following resolution: "*Resolved*, That the treasurer is hereby authorized to sell to C. S. Bushnell one thousand income bonds for $500,000; two thousand one hundred and thirty-six land-grant bonds at 70 per cent. of their par value and accrued interest, payable as called for by the company." Also, two thousand five hundred Missouri River

ridge bonds at 80 per cent. of their par value and accrued interest, one-
hird payable in four months from January 1, 1871, and balance as the
ompany may require. In case Congress, within six months from this
ate, shall authorize or confirm the mortgage of such bridge, the bonds
ow issued bearing 10 per cent. interest are to be returned to the com-
any when called for and cancelled; and the same number of bonds,
earing interest at the rate of 8 per cent. per annum, shall be issued in
heir stead." This resolution was passed January 19, 1871.

Q. Did Mr. Bushnell receive those bonds pursuant to that action of
he board?—A. He received a portion of them.

Q. Did he receive all of the bridge bonds?—A. He did not.

Q. What amount of the bridge bonds did he receive pursuant to that
esolution?—A. Twelve hundred and twenty-five.

Q. What was afterwards done with that first issue of Omaha bridge
onds?—A. After the act of Congress of February 24, 1871, a new bond
as issued, bearing 8 per cent. interest, and the old issue was withdrawn
nd canceled, and the new bond substituted therefor, pursuant to the
esolution of January 19.

Q. To whom were these new bonds issued, or what disposition was
ade of them?—A. They were sold to C. S. Bushnell, in accordance
ith this resolution.

Q. What amount of money did the Union Pacific Railroad Company
eceive on account of these bridge bonds?—A. They were sold at about
. The Union Pacific Company's books show that the company re-
eived $2,060,000 for them.

Q. Of the original issue what was done with the 1,275 of which you
ave not yet spoken?—A. They were never issued by the company.

Q. What had been done by Mr. Bushnell with the 1,225 that went into
is hands?—A. I think they were used as collateral for money loaned
o the company.

Q. Loaned by whom?—A. He arranged the loans in New York for
he company; the company received the money.

Q. Do you know who furnished the money?—A. I cannot tell who
urnished it without a great deal of examination.

Q. Who had possession of the 1,225 bonds at the time the new issue
as made?—A. They were placed by Mr. Bushnell with J. Pierpont
organ, one of the trustees of the new Omaha bridge bond, and a mem-
er of the firm of Drexell, Morgan & Co.

Q. When the new bonds were issued were these 1,225 of the new
onds placed in the same hands?—A. They were.

Q. By whom?—A. By the company.

Q. What became of the 1,275?—A. They were delivered to the trustees
f the Omaha bridge bond.

Q. Do you know what became of them after that?—A. They were
ent to London, and there sold.

Q. Do you know for what price they were sold in London?—A. I do
ot.

Q. Will your books show anything on that subject?—A. Not any-
hing.

Q. Do you know of any contract having been made with George W.
owan, jr., relative to transfer of the freight and passengers over the
maha bridge?—A. I have heard that a contract was made with him at
ne time.

Q. Is there anything on the records of the company showing that
ontract?—A. I think not.

Q. Have you in this office a copy of that contract or the original?—
. We have not.

Q. Who was the general superintendent of the company on the 21st of March, 1872?—A. T. E. Sickles.

Q. Where were his headquarters?—A. At Omaha.

Q. Do you know in what way transportation over the Omaha bridge is regulated, and upon what terms passengers and freight are carried over the bridge?—A. The only information I can give you will be found in the time-schedules Nos. 1 and 9, marked 1 and 2, and attached to my testimony.

Q. Look at paper marked Rollins C., and state whether that contract has been reported to this office, or is it found in the records of this office?—A. I have not been able to find any record of such contract, and there seems to be no contract of this kind on file in this office.

Q. Do you know whether the transfer of freight and passengers over the bridge is now regulated by any contract between the Union Pacific Railroad Company, or any of its officers, and any person?—A. I do not know.

Q. Are you able to state now what rates are charged for transporting freight and passengers over that bridge?—A. My impression is that it is 50 cents for each passenger and $10 a car for freight. That is my impression. I should not want to swear to its accuracy.

Q. Is freight transferred at the bridge from one car to another?—A. I suppose it is in many instances.

Q. I mean through freight?—A. I suppose there must be a good many cars that go through without any transshipment. Still I suppose a good deal of the freight is transshipped.

Q. Are these rates of which you have spoken charged for the transportation of Government freight?—A. I suppose they are.

Q. What is done with the proceeds derived from the transportation of freight and passengers over this bridge; to what use is it applied?—A. To the payment of interest on the bridge bonds. It goes into the hands of the company and the company pay interest on the bridge bonds.

Q. Does it go into the general account of the company showing gross and net receipts?—A. There is a separate account kept at Omaha of the moneys received from the bridge. This account will show the gross as well as the net receipts from the bridge.

Q. Does that enter into the earnings of the railroad company?—A. It does not.

Q. It forms no part of the earnings, as you keep your accounts?—A. No, sir; it does not.

Q. Then, in making up the account for Government transportation with the Union Pacific Railroad Company, the amounts paid for transporting freight across the bridge are not embraced?—A. As we make up our accounts—no, sir; they are made up separately.

Q. How many issues of income-bonds have been made by the Union Pacific Railroad Company?—A. Only one—of ten millions of dollars.

Q. Can you produce a copy of one of those income-bonds?—A. I can; they are printed in pamphlet with the acts of Congress and by-laws of the company; published at Fairfield, Iowa. (Copy submitted and marked.)

Q. When were they issued?—A. They were issued pursuant to a resolution of the executive committee, adopted September 23, 1869, as follows:

"*Resolved*, That the president, or vice-president and treasurer, are hereby authorized to prepare and issue bonds to the amount of $10,000,000, bearing interest at the rate of 10 per cent. per annum, payable at

option of the company, in two years from September 1, 1869, or thin five years of said date, giving as security the obligation of the pany to trustees for the purchasers to appropriate the net income the company to the payment of interest on these bonds, after pay- the coupons on first-mortgage and land-grant bonds of the com- y; and John A. Duff, Benjamin E. Bates, and William T. Glidden hereby designated as trustees for the purchasers as before named, all resolutions in regard to income-bonds heretofore passed are eby rescinded."

Q. What disposition was made of the income-bonds?—A. Five thou- eight hundred and seventy were delivered to trustees for con- ctors at 60; 2,457 were exchanged for certificates for first-mortgage nds.

Q. With whom was that exchange made?—A. Made with the parties o held those certificates.

Q. Do you know who they were?—A. No, I do not.

Q. Is there any mode of learning from the books who the parties re with whom that exchange was made?—A. I think the facts could ascertained from the books. It would require some little time to pre- re a statement.

Q. Will you have a statement of that kind prepared to accompany r testimony? (Rollins 14, to be submitted.)—A. I will. One thou- d were sold to C. S. Bushnell, at 50, pursuant to a resolution adopted uary 19, 1871. One hundred were delivered to Credit Mobilier, in ut. Thirty were delivered to T. C. Durant at 80. The balance re- ined in the hands of the company undisposed of.

Q. Have you the checks that were referred to by Mr. Spence in his timony, one for $24,500, and the other for $19,000?—A. I have; here y are.

Q. Read them.—A. "National Bank of Commerce of Boston, March 1871. Pay to the order of B. W. Spence $24,500. (Signed) J. M. S. lliams, treasurer. No. 2372." Upper left-hand corner, in figures, 4,500. On the back was the following indorsement: "Pay E. H. llins, secretary, or order. B. W. Spence. And underneath "E. H. llins, secretary," in print, "for deposit," indorsed "Gilman, Son & Co., y H. Blaisdale, cashier, or order," and stamped "Credit the National nk of State of New York," then stamped again, "Through clearing- use to National Revere Bank of Boston," and then indorsed "H. isdale, cashier."

The next, "National Bank of Commerce, of Boston, March 9, 1871. y to the order of B. W. Spence, $19,000." (Signed) "Jno. M. S. Wil- ns, treasurer." No. 2373. In the upper left-hand corner, in figures, 9,000. Indorsed, "Pay to E. H. Rollins, secretary, or order. B. W. ence." Underneath, indorsed, "E. H. Rollins, secretary." Stamped, r collection for the Girard National Bank of Philadelphia," and then pencil the initials, "T. A. S." Further indorsed, "W. G. Shellady, cashier."

Q. Are these the checks that were used by the Union Pacific Rail- d Company at the time of the transactions that they denote?—A. s; they are the checks, as shown by the books.

Q. Have you examined the check-book from which these checks were en; and, if so, what do you find?—A. I have; and I find on e stub the following memorandum: "March 9, 1871, E. H. R., secre- y, G. M. Dodge, No. 2372, $24,500," in figures; also, the following morandum: "March 9, 1871, E. H. R., secretary, J. F. Wilson, No. 73, $19,000," in figures. "J. F. Wilson" seems to have been written a different time, and there is an appearance which would indicate

that the paper on which the name is written has been rubbed; then also a marked difference in the ink used.

Q. Was there a check issued for $2,500 the same day, March 9, 187—A. There seems to have been a check issued March 9, 1871, for $2,

Q. Have you that check?—A. I have.

Q. Will you produce it?—A. I have it.

Q. Read it.—A. "National Bank of Commerce, Boston, March 1871; pay to the order of B. W. Spence twenty-five hundred dolla (Signed) "John M. S. Williams, treasurer, No. 2374." In the upper l hand corner, $2,500 in figures; indorsed, "Pay Hon. E. H. Rollins, order. B. W. Spence." Indorsed, "E. H. Rollins," pay J. Carr, c cashier, or order, for collection for First National Bank, Concord, N Hampshire, J. J. Crippin, acting cashier. Following that, "C. Draper, acting cashier."

Q. On what account was that check given?—A. That was given money which was borrowed for Mr. Bushnell.

Q. Where?—A. At Washington.

Q. From whom?—A. From Mr. Ordway.

Q. Does that form any part of the $126,000?—A. All the checks drafts covering the $126,000 presented to me for indorsement w agreeably to the report of the special committee, indorsed by me as retary. This check was not indorsed by me as secretary, and is dently not included in that amount.

Q. Was this check of $2,500 paid out of the earnings of the Un Pacific Railroad Company?—A. It would appear from the books t the check was exchanged for a draft of Mr. Bushnell's on M. Mor Sons, of New York, for the same amount.

Q. How is the balance of the $126,000 paid, as appears by the bo of the company?—A. The balance, in addition to the two checks, for $24,500 and one for $19,000, was paid by three drafts on M. M gan Sons, of New York, as follows: One for $13,841.09; one $18,032.46; one for $20,626.45.

Q. Have those drafts come back to the Union Pacific Railroad Co pany?—A. They have not.

Q. Mr. Spence, in his testimony, has spoken of an item of $3, paid to you in 1870. Are there any entries on the books in regard that sum, or any other sum, charged to legal expenses? If so, st what the entry is, and on what account the money was paid.—A. entry seems to have been made on the cash-book as follows: "L expenses debtor to cash for amount advanced E. H. R., June 1, by c of Oliver Ames, and now charged as above, by direction of E. H. $3,500."

Q. In whose handwriting is that entry made?—A. In the hand ing of Mr. Spence.

Q. Was that entry made there by your direction, as stated in book?—A. From the entry, I presume that I gave the order, thou do not remember distinctly.

Q. On what account was that money used?—A. It was advanced the time, at the request of Mr. Ames, and allowed me for services dered the company. I never received a dollar of money from the Un Pacific Railroad Company in my life for political purposes; neither h I had a dollar that I did not earn by hard labor. There has been money expended for political purposes, to my knowledge, since I bec treasurer of the company, and I think I may safely say there will be under the present administration of its affairs, for both political ties are ably represented in its board of directors.

Q. Why was this charged up on the books as legal expenses?—A. I had rendered the company services at Washington, outside of my duties as secretary, for which I thought I was entitled to compensation.

Q. What was the character of the services rendered to the company at Washington, and when were the services rendered?—A. The services had reference to the adjustment of the accounts of the company in the Departments at Washington, the War Department, Interior, Treasury, and Post-Office; and also with reference to matters pending before Congress.

Q. Was any portion of this money paid to any member of Congress or officer of the Government?—A. Not any. In all my business transactions for the Union Pacific Railroad Company at Washington I have never asked an officer of the Government, in either of the Departments, a member of the Senate, or of the House of Representatives, to do for the company what I would not have done myself had I occupied either of the positions named.

Q. Do you know of any money or thing of value being paid or given to any member of Congress, or officer of the Government, with a view of securing his influence on behalf of the Union Pacific Railroad Company at any time?—A. The only thing that I know is the case of Cornelius Wardell.

Q. Have you any knowledge or information as to the sum of $10,000, or any other sum, having been paid as a retainer to any person who was a candidate for the Senate of the United States?—A. No, I have not.

Q. Have you ever heard of anything of that kind having been done?—A. No; I do not think I have.

Q. Do you know of any retainer of $10,000, or any other sum, having been paid to any member of Congress, or Senator, on account of legal services?—A. I do not; only in the cases named in my previous testimony.

Q. Have you made search for the engineer's surveys that were made before the contracts were let?—A. I have.

Q. Do you find any on file here?—A. None, except such as are in print and on file in Washington, save one annual report of General Dodge, late chief engineer.

Q. Is the Union Pacific Railroad procuring coal from the Wyoming Coal Company; and, if so, for what length of time has it been procuring coal?—A. It is receiving coal from the Wyoming Coal Company, and has been, I think, since 1869.

Q. Is there a contract in existence for the Union Pacific Railroad Company and the Wyoming Coal Company? If so, if you have a copy, please produce it.—A. There is a copy spread upon the directors' records, under the date of November 19, 1869. A copy is here presented, marked "Hollins 4."

Q. Has that contract been changed since it was executed?—A. The contract was so far modified, as I understand, that the company pays the coal company $3.50 per ton for its coal. The accounts have been made up from the commencement of the contract to the latter part of the year 1872 at that rate.

Q. Is Mr. Wardell or any other person still claiming the original contract price?—A. I am not aware that he claims the original contract price.

Q. Has there been any final adjustment, on account of coal delivered to the company, since the contract began?—A. Not that I am aware of.

Q. Do you understand Wardell, or those interested in the Wyom Coal Company, to be assenting to the rate of $3.50 per ton?—A. I d

Q. In shipping coal over the road to other parties, are there any di criminations made in favor of the Wyoming Coal Company in the ma ter of freights?—A. My recollection is that there was a drawback 25 cents per ton; but at a recent meeting of the directors of the Wy ming Coal Company this clause was stricken out.

Q. Do you know whether discriminations are made in favor of th company, as against others, notwithstanding that clause having be stricken out of the agreement?—A. I do not know what the fact is.

Q. Do you know what rate Wardell gets from Carbon to Omaha, p ton?—A. I could not give you those rates.

Q. Have you any means of knowing whether the rate is made in fav of the Wyoming Coal Company 25 per cent. less than the charge other shippers?—A. I suppose that was the case up to the time of t modification of the contract.

Q. When was that modification?—A. In December last, I think.

Q. Have you any other information as to whether these discrimin tions are made?—A. I have not.

Q. Was this Wyoming Coal Company, during the snow-blockade, ab to supply the Union Pacific Railroad Company with its coal, or have y had to make purchases elsewhere?—A. I think they were short of co and had to make purchases elsewhere.

Q. Do you remember the quantity purchased, and where it was pu chased?—A. I have not the data at hand.

Q. Do you know where the coal was purchased they had to buy fro outside parties?—A. Well, no; my impression is, from Iowa.

Q. Do you know the prices paid for the coal purchased in Iowa?—A I do not.

Q. Do you know whether Wardell is claiming that he should ha the benefit of the difference between the price paid in Iowa and t $3.50 per ton which is being paid him under the Wyoming contract?— A. I have no information in regard to that. I think I may have hea such a suggestion made, but I do not remember.

Q. Can you get that information for the committee?—A. I can, an will.

Q. Furnish to the committee a detailed statement of the floating deb of the Union Pacific Railroad Company on February 1, 1873.—A. Her it is. (Marked "Rollins 5.")

Q. For what were these bills payable given?—A. For money loan the company.

Q. For what purpose was this money loaned?—A. It has been loan at various times to the company to aid other companies in constructin roads that would be feeders to the Union Pacific Railroad.

Q. Was any part of it borrowed to pay interest?—A. A large portio of it was borrowed for the purpose of aiding these roads, and a portion it for the payment of interest. The snow-blockade of last winter se ously interfered with our receipts, and rendered this necessary.

Q. What rate of interest is the company paying on these loans?—A Seven per cent. per annum, and commission.

Q. What commission?—A. One and a quarter per cent. for six days.

Q. What security has the company given to the lenders?—A. The loan of John Duff, vice-president, amounted to $298,724.95. He had collateral security for this loan 233 income-bonds; 2,500 shares of At lantic and Pacific telegraph stock. The latter is redeemed by the pa ment of the note for $25,000, due February 6, 1873.

Q. Was this payment the payment you have referred to as having been made through a payment in money?—A. In money. The amount to Oliver Ames, $427,419.67, for which he holds 139 income-bonds, 20 [illegible] County bonds, and two notes of Brigham Young for $50,000, secured by bonds of the Colorado Central Railroad Company, at about 7 cents on the dollar. The company owed Sidney Dillon $130,000, for which he has in his possession 24 first-mortgage bonds of this company. For the loans by directors not above specified, collaterals are in the hands of Mr. Clark, the president, pursuant to the following resolution of September 20, 1872:

Executive committee resolution.

"*Resolved*, That all the stock, bonds, and other securities, now in possession of the company, and all that may hereafter come into the possession of the company, together with all bonds, stocks, and other securities which may be received from the Utah Central Railroad Company, Utah Southern Railroad Company, Utah Northern Railroad Company, and Colorado Central Railroad Company, for the investments of the company in those enterprises, be placed by the treasurer in the hands of Mr. Horace F. Clark, trustee, as collateral security for loans made to the company by various parties, amounting to six hundred and fifty thousand dollars, ($650,000.)

"Adopted September 20, 1872."

Q. What collaterals have been placed in the hands of Mr. Clark, pursuant to that resolution?—A. Two hundred and twenty thousand dollars Utah Southern Railroad bonds; 3,000 shares of Utah Central Railroad stock. Those are the only securities that have been absolutely placed in his charge. Other securities of the company, referred to in the resolution, are held by the treasurer for Mr. Clark, under this resolution.

Q. What other securities are held by the treasurer in that way now?—A. All the securities of the company are held as collateral, and I will furnish a list.

Q. When you say that seven per cent. interest is paid on these bonds, do you mean seven per cent. per annum?—A. Yes, sir.

Q. Can you furnish a statement of loans made by directors to the Union Pacific Railroad Company, from time to time, and the rate of interest that has been paid thereon?—A. I will furnish a statement. The rate of interest has varied from time to time, according to the condition of the money market, from 7 per cent. per annum to 14½. (See line 5.)

Q. Has it been the custom of the company to pay these commissions on loans?—A. At times it has. It has not always been the custom. Sometimes the loans have been made by the directors, when the money market was easy, at 7 per cent. At other times a commission has been charged in addition.

Q. Has there ever been a higher rate of commission than 1¼ per cent. for sixty days?—A. Not since I have been treasurer of the company.

Q. Do the books show that higher rates of commission have been paid than that prior to the time that you became treasurer?—A. During the time I presume higher rates were paid.

Q. Do you know what rates were paid at that time?—A. I do not.

The following are copies of exhibits referred to in the testimony of E. H. Rollins:

[Copy of telegram.]

OMAHA, NEBRASKA, *February* 7, 1873.

E. H. ROLLINS, *Treasurer, Union Pacific Railroad:*

Purchased coal last winter as follows: Eight thousand six hundred and eighty-nine tons, from Union Coal Company, price $2.50, at Ottumwa, Iowa; six hundred and eighty-eight tons, Boulder Valley Coal Company, price $3.50, at Erie, Colorado; six hundred and fifteen tons, Northwestern Coal Company, price $2.75, at Marigina, Iowa; four hundred and three tons, E. P. Snow, price $3, at Rock Springs, Wyoming; Fort Scott Coal Company, fourteen hundred and forty-three tons at $2.37½, at Fort Scott, Kansas; Central Mining Company, six hundred and ninety-seven tons, at $2, eleven hundred and fourteen tons, at $2.25, and forty-eight tons, at $2.75, at Saint Joseph, Missouri; also seven hundred and forty-one tons from othef parties, at from $2 to $8.25, prices varying on account of points of delivery. Wardell says there is no claim made by Wyoming Coal Company for this coal. Since December Wyoming Coal Company is charged the same freight-rates as are made to other parties, and no rebate or drawback has been promised or allowed.

Rates between Omaha and Council Bluffs, over Missouri River bridge and approaches, distance nearly three miles, fifty cents for passengers and five cents per hundred for freight.

T. E. SICKLES,
General Superintendent.

Corrected statement.

First-mortgage bonds	$27,213,000 00
Loss on same	3,494,991 23
	23,718,008 77
Land-grant bonds	$10,400,000 00
Loss on same	4,336,907 50
	6,063,092 50
Government bonds	$27,236,512 00
Loss on same	91,282 25
	27,145,163 75
Income-bonds	$9,355,000 00
Loss on same	2,818,400 00
	6,536,600 00

Agreement made this 21st day of March, A. D. 1872, between the Union Pacific Railroad Company, of the first part, and George W. Homas, of Omaha, of the second part, witnesseth as follows, viz:

The said party of the first part hereby agrees to furnish to said party of the second part all the rolling-stock necessary for the transfer of passengers and freight across the Missouri River bridge at Omaha, from the depot of the said party of the first part, in Omaha, to the eastern end of its said bridge in Iowa, and to maintain such rolling-stock in good order and repair, and also to furnish coal, oil, and waste, sufficient for the use

said rolling-stock. Said party of the first part shall fix the fares and charges and may modify and change the same at its discretion. Said party of the second part hereby agrees to transfer, by means of such rolling-stock, over said Missouri River bridge, between the places above named, all passengers and freights destined east or west across said river; to receive all freights, west-bound, that may be tendered to him, and to pay promptly all charges which may be due on the same.

Said party of the second part also agrees to employ all engineers, conductors, firemen, brakemen, checkmen, laborers, and other employés that may be necessary for the proper, safe, prompt, and satisfactory connection of said transfer business; run the trains across said bridge, and transact all business in connection with said transfer, at such times, and under such regulations, as the superintendent of said party of the first part may direct, and to his entire satisfaction.

Said party of the second part agrees to build a freight-platform, eight hundred (800) feet long, at east end of said bridge, at a point to be designated by the superintendent of said company, the cost thereof to be deducted from the first receipts from said transfer business due and payable to said party of the first part. In consideration of the stipulations and agreements hereinbefore mentioned by the party of the first part to be performed, the said party of the second part, in addition to the stipulations contained on his part to be performed, hereby agrees to pay over at such intervals and times as the said superintendent may require, seventy-five (75) per cent. of all receipts from such transfer of freights and passengers, for the use of said bridge and approaches, and for hire of said rolling-stock to be furnished as hereinbefore agreed. This agreement may be terminated by the party of the first part at its discretion, by giving the said party of the second part ten (10) days notice of its election to so terminate it.

Witness the signature of the general superintendent of said Union Pacific Railroad Company, and the said George W. Homan, jr., hereto affixed, this 21st day of March, A. D. 1872, at Omaha.

T. E. SICKLES,
General Superintendent Union Pacific Railroad.
GEO. W. HOMAN, JR.

Witness:
F. E. LAWRENCE.
CHAS. S. STEBBINS.

[ROLLINS 4.]

Contract, Union Pacific Railroad with C. O. Godfrey and Thomas Wardell.

This agreement, made this sixteenth day of July, in the year of our Lord one thousand eight hundred and sixty-eight, between the Union Pacific Railway, by its proper officers, of the first part, and Cyrus O. Godfrey, and Thomas Wardell, of the State of Missouri, or assigns, as party of the second part, witnesseth:

That the said party of the first part agrees that the party of the second part may prospect at their own expense for coal on the whole line of the Union Pacific Railway, its extensions and branches, and open and operate any mines discovered, at their own expense.

That said railroad company agrees to purchase of said party of the second part all clean merchantable coal mined along the line of its road needed for engines, depots, shops, and other purposes of the company, and to pay for the same, for the first two years, at the rate of six dollars per

ton; for the next three years, at five dollars per ton; for the four years thereafter, at four dollars per ton; and for the six years remaining, at the rate of three dollars per ton, delivered upon the cars at the mines of said party of the second part, and which shall not be less than ten per cent. added to the cost of the same to the said party of the second part. This contract to be and remain in full force for the full term of fifteen years from the date hereof.

That the said railroad company agrees to facilitate the operations of said party of the second part, in prospecting and otherwise, by means of such information as it may possess, and by furnishing free passes on its road to the agents of the party of the second part not exceeding six in number.

The said railroad company further agrees to put in switches and the necessary side-tracks at such points as may be mutually agreed upon, for the accommodation of the business of the said party of the second part.

That the said party of the second part agrees to make all necessary exertions to increase the demand and consumption of coal by outside parties along the line of said railroad, and to open and operate mines at such points where coal may be discovered as may be desired by said railroad company, and to spend within the first five years from the date of this agreement, in the purchase and development of mines and mining-lands and in improvements for the opening, successful and economical working of the same, not less than the sum of twenty thousand dollars; also to furnish for the use of said railroad company good merchantable coal, and to pay all expenses for improvements for loading coal into cars. Any improvements desired by said railroad company in regard to the coal to be used by it shall be at the cost of said railroad company.

In consideration of their exertions to increase the demand for coal and the large sum to be expended in improvements, it is further agreed that the party of the second part shall have the right to transport over the said railroad and its branches, for the next fifteen years from the date of this agreement, coal for general consumption at the same freight that will be charged to others; but the said party of the second part shall be entitled (in consideration of services rendered as herein provided) to a drawback of twenty-five per cent. on all sums charged for transportation of coal.

The said railroad company agrees to furnish the party of the second part such cars as they may require in the operation of their business, and to transport them as promptly as possible. This agreement to remain in force for fifteen years.

The coal-lands owned by said party of the first part are hereby leased for the full term of fifteen years to the said party of the second part, or their assigns, for the purpose of working the same as may seem to them profitable; said party of the second part to pay, for the first nine years, a royalty of twenty-five cents per ton for each ton of coal taken from their lands, excepting always coal taken from entries, air-courses or passage-ways, for which coal no royalty shall be paid; payment for the same being due and payable monthly. The royalty for the last six years of this lease shall be free, provided the price of coal to the railway is reduced to three dollars per ton; if three dollars and twenty-five cents per ton, or more, then in that case the royalty shall be as during the first nine years.

In witness whereof we have hereunto set our hands and seals the day and year above mentioned.

CYRUS O. GODFREY.
THOMAS WARDELL.

Sealed and delivered in the presence of——

HANNIBAL, *Missouri, April* 1, 1869.

For and in consideration of the sum of one dollar, and other valuable considerations, the receipt of which we do hereby acknowledge, we this day transfer, assign, and set over to the Wyoming Coal and Mining Company (a company formed for the purpose of mining coal and other minerals on the line of the Union Pacific Railway) and its assigns, all our right, title, and interest in and to the within contract, together with all its privileges, obligations, and liabilities; and when accepted by them our connection and liabilities, as individuals, shall cease.

CYRUS O. GODFREY.
THOMAS WARDELL.

STATE OF MISSOURI, *County of Marion, ss:*

Personally appeared before the undersigned, a notary public within and for the county and State aforesaid, Cyrus O. Godfrey and Thomas Wardell, whose names are attached to the foregoing instrument as having executed the same, and who are personally known to me to be the identical persons who signed the same, and they severally acknowledge their signatures thereto to be their free act and deed for the purposes therein set forth and expressed.

In witness whereof I have hereunto set my hand and affixed my notarial seal, at my office in the city of Hannibal, this 1st day of April, 1869.

[SEAL.]

D. K. WARD,
Notary Public.

[ROLLINS 5.]

Detailed statement bills payable January 31, 1873.

Issued.	To whom issued.	Time.	Due.	Amount.
	Demand notes.			
1871. Dec. 14	John Duff			$19,875 00
	Notes due December, 1872.			
1871. Oct. 1	John Duff	60 days	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	25,000 00
1	do	do	3	18,849 95
	Total unpaid December			193,849 95
	MEMORANDUM.—The above demand note and the notes past due in December, held by John Duff, vice-president, have never been presented for payment.			
	Notes due in February, 1873.			
Oct. 1	Oliver Ames	4 months	4	$10,000 00
Nov. 11	do	do	14	15,000 00
20	O. M. Pullman	60 days	1	25,000 00
20	do	do	1	25,000 00
20	do	do	1	20,000 00
20	Oakes Ames	do	1	10,000 00
Jan. 3	do	do	4	25,000 00

Detailed statement, &c.—Continued.

Issued.	To whom issued.	Time.	Due.	Amount.
1872.				
Dec. 2	Oakes Ames	6 days	3	
Nov. 30	do	do	1	
30	Horace F. Clark	do	1	
Dec. 2	do	do	3	
3	do	do	4	
Nov. 30	Augustus Schell	do	1	
Dec. 2	do	do	3	
3	do	do	4	
Nov. 29	J. H. Banker	do	1	
Dec. 2	do	do	3	
3	do	do	4	
2	L. P. Morton	do	3	
3	do	do	4	
3	do	do	4	
3	F. G. Dexter	do	4	
3	Sidney Dillon	do	4	
5	do	do	6	
4	do	do	5	
5	John Duff	do	6	
24	Elish Atkins & Co	do	25	
27	do	do	28	
7	Operating department, Coe & Carter	do	8	
19	Operating department, Hatch, Holbrook & Co	do	20	
	Total due in February			
	Notes due in March, 1873.			
Nov. 1	Oliver Ames	4 months	4	
4	do	do	7	
16	do	do	19	
16	do	do	19	
16	do	do	19	
30	L. P. Morton	3 months	3	
Dec. 4	Operating department, Harris & Foster	90 days	7	
Jan. 9	Operating department, F. P. Corby & Co	60 days	13	
	Total due in March			
Jan. 17	London Exchange, indorsed by directors	55 days	13	
17	do	56 days	14	
30	do	55 days	26	
	Total			
	Notes due in April, 1873.			
Dec. 3	Oliver Ames	4 months	6	
Nov. 30	do	do	2	
Dec. 3	do	do	6	
3	do	do	6	
4	do	do	7	
25	do	do	25	
25	do	do	25	
25	do	do	25	
27	Oakes Ames	do	30	
27	do	do	30	
27	do	do	30	
27	do	do	30	
27	do	do	30	
27	do	do	30	
3	F. Gordon Dexter	do	6	
	Total due in April			
	Notes due in May, 1873.			
31	Oliver Ames	4 months	3	
31	do	do	3	
31	do	do	3	
31	do	do	3	
Jan. 7	do	do	10	
12	do	do	15	
Dec. 31	L. P. Morton	do	3	
31	do	do	3	
31	do	do	3	
31	Horace F. Clark	do	3	
31	do	do	3	
31	do	do	3	

Detailed statement, &c.—Continued.

Issued.	To whom issued.	Time.	Due.	Amount.
1873.				
Jan. 31	Augustus Schell	4 months	3	$20,000 00
31	do	do	3	20,000 00
31	do	do	3	20,000 00
31	John Duff	do	3	20,000 00
31	do	do	3	20,000 00
31	do	do	3	20,000 00
1873.				
Jan. 31	Sidney Dillon	do	17	20,000 00
31	do	do	17	20,000 00
31	do	do	17	20,000 00
1873.				
Jan. 31	George M. Pullman	do	3	60,000 00
31	C. S. Bushnell	do	3	60,000 00
1873.				
Jan. 31	Elisha Atkins	do	13	25,000 00
	Total due in May, 1873			520,000 00
	Notes due in July, 1873.			
1873.				
Jan. 31	Oliver Ames	6 months	1	20,000 00
31	do	do	1	20,000 00
31	do	do	1	20,000 00
31	do	do	1	10,419 67
	Total due in July, 1873			70,419 67

RECAPITULATION.

Demand note	$19,875 00
Notes due in December, 1872	193,849 95
Notes due in February, 1873	591,732 90
Notes due in March, 1873	153,013 73
Notes due in April, 1873	225,080 00
Notes due in May, 1873	520,000 00
Notes due in July, 1873	70,419 67
Total	1,773,891 25
And sterling loan	£120,000

Memorandum *showing the liability of the company to each of the following-named persons, the aggregate amount appearing in the "bills payable" account.*

John Duff	$298,724 95
Oliver Ames	427,419 67
George M. Pullman	130,000 00
John Ames	130,000 00
Horace F. Clark	130,000 00
Augustus Schell	130,000 00
James H. Banker	70,000 00
A. P. Merton	155,000 00
William Gordon Dexter	55,000 00
Sidney Dillon	130,000 00
Elisha Atkins	40,000 00
C. S. Bushnell	60,000 00
Bills of the operating department accepted	17,746 63
	1,773,891 25

Boston, *January* 31, 1873.

Collateral for foregoing.

John Duff, 233 income bonds; 2,500 shares Atlantic and Pacific Telegraph Company's stock.

Oliver Ames, 139 income bonds; 20 Douglas County bonds; 2 notes Brigham Young, $1,000 each.

Sidney Dillon, 24 first-mortgage bonds, Union Pacific Railroad Company.

Horace F. Clark, for self and other directors, 220 Utah Southern Railroad bonds; 100 shares Utah Central Railroad stock.

Statement of assets, Union Pacific Railroad Company, February 1, 1873.

Bills receivable		$70,948
Colorado Central Railroad Company, materials and cash	$782,421 07	
Colorado Central Railroad Company, leased property	35,387 54	
Colorado Central Railroad Company, 110 bonds	78,500 00	
Colorado Central Railroad Company, 2,100 shares stock, at $25	52,500 00	
		948,808 61
Utah Central Railroad Company, 3,000 shares stock, at $50		150,000 00
Utah Northern Railroad Company, charges on freight		43,345 [illegible]
Utah Southern Railroad Company, 520 bonds, at $80	$176,000 00	
Utah Southern Railroad Company, materials	213,298 61	
		389,298 61
Atlantic and Pacific Telegraph Company, 24,208 shares stock		242,080 00
Omaha City bonds, 25, at $500		12,500 00
Washington County bonds, 90, at $100; 6, at $1,000		15,000 00
Douglas County bonds, 200 bonds		200,000 00
Saint Louis, Chillicothe and Omaha Railroad Association, 60 shares stock, at $50		3,000 00
Brunswick, Chillicothe and Omaha Railroad Association, materials, &c		30,077 65
Central Pacific Railroad Company, interest account		37,170 71
John Duff, trustee for land-grant bonds		62,122 22
First-mortgage bonds Union Pacific Railroad, owned by the Company	$24,000 00	
Omaha bridge bonds, 5 bonds, owned by the company	5,161 35	
Union Pacific Railroad stock, 155 shares, owned by the company	8,244 13	
		37,405 48
Total		2,241,757 20

BOSTON, MASSACHUSETTS, *February* 10, 1873.

[ROLLINS 7.]

1869.

At the annual meeting of the stockholders of the Union Pacific Railroad Company, held in Boston, May 25, 1869, the following-named gentlemen were elected as directors of said company: Oliver Ames, B. E. Bates, Sidney Dillon, John Duff, C. H. McCormick, William S. Glidden, C. S. Bushnell, F. Gordon Dexter, Rowland G. Hazard, Elisha Atkins, Charles A. Lambard, Ezra H. Baker, Frederick Nickerson, Oliver S. Chapman, John R. Duff.

The Government directors, at this time, were Hiram Price, D. Harris, Benjamin F. Wade, James F. Wilson, and John W. Burson.

Resignation of directors.

May 27, 1869.—John R. Duff resigned; G. M. Dodge elected to fill vacancy.

August 18, 1869.—E. H. Baker resigned; James Brooks elected to fill vacancy.

November 19, 1869.—John B. Alley elected to fill place of B. E. Bates, who never acted.

Officers for 1869.—President, Oliver Ames; vice-president, John Duff; secretary, E. H. Rollins; treasurer, J. M. S. Williams.

1870.

At the annual meeting of the stockholders of the Union Pacific Railroad Company, held in Boston, March 9, 1870, the following gentlemen

ere elected directors of said company for the ensuing year: Oliver mes, Oakes Ames, John Duff, John B. Alley, C. H. McCormick, W. Glidden, R. Hazard, Elisha Atkins, C. A. Lambard, O. S. Chapman, mes Brooks, G. M. Dodge, Sidney Dillon, Frederick Nickerson, C. S. shnell.

Government directors.—D. L. Harris, John W. Burson, James F. Wil- n, Hiram Price, Benjamin F. Wade, J. S. C. Harrison. The latter- med gentleman succeeded J. W. Burson, January 23, 1871.

Officers.—President, Oliver Ames; vice-president, John Duff; secre- ry, E. H. Rollins; treasurer, J. M. S. Williams.

1871.

At the annual meeting of the stockholders of the Union Pacific Rail- ad Company the following-named gentlemen were elected directors of id road for the ensuing year: Thomas A. Scott, Oliver Ames, John uff, Elisha Atkins, Oakes Ames, L. P. Morton, Royal E. Robbins, mes Brooks, G. M. Dodge, Sidney Dillon, C. S. Bushnell, J. E. Thomp- n, Andrew Carnegie, G. M. Pullman, F. G. Dexter.

Government directors.—J. S. C. Harrison, James F. Wilson, Benjamin Wade, D. S. Ruddock, Hiram Price.

Officers.—President, Thomas Scott; vice-president, John Duff; secre- ry, E. H. Rollins; treasurer, J. M. S. Williams.

Resignations, &c.

March 9, 1871.—F. Gordon Dexter resigned, and William Dennison as elected to fill the vacancy.

September 6, 1871.—Hon. William Dennison resigned, and F. Gordon exter was elected to fill the vacancy.

1872.

Directors of the Union Pacific Railroad Company elected at the an- al meeting of the stockholders of the company held in Boston, March 1872: Horace F. Clark, Augustus Schell, James H. Banker, Oliver mes, John Duff, Elisha Atkins, Oakes Ames, L. P. Morton, G. M. odge, Sidney Dillon, C. S. Bushnell, G. M. Pullman, F. Gordon Dexter, H. Baker, N. A. Baldwin.

Government directors.—James F. Wilson, Jos. H. Millard, D. S. Rud- ck, J. S. C. Harrison, Hiram Price.

Officers.—President, Horace F. Clark; vice-president, John Duff; cretary and treasurer, E. H. Rollins.

Resignations, &c.

March 6, 1872.—Messrs. Baker and Baldwin, resigned; Royal E. Rob- ns and James Brooks were elected to fill the vacancies.

[ROLLINS 8.]

1863.

At a meeting of the stockholders of the Union Pacific Railroad Com- ny, held in New York, October 29, 1863, the following gentlemen were lected as directors of said railroad for the ensuing year: George

Opdyke, John A. Dix, T. C. Durant, E. W. Dunham, Pickering Clark, E. I. H. Gibson, J. I. D. Lanier, A. G. Jerome, Abiel A. Low, George T. M. Davis, August Belmont, L. C. Clark, Charles Tuttle, H. V. Poor, George Griswold, New York City, New York; J. V. L. Pruyn, Albany, New York; E. H. Rosekrans, Glens Falls, New York; William B. Ogden, J. F. Tracy, Chicago, Illinois; Nathaniel Thayer, C. A. Lambard, Boston, Massachusetts; Cornelius S. Bushnell, New Haven, Connecticut; Joseph H. Scranton, Scranton, Pennsylvania; J. Edgar Thompson, Philadelphia, Pennsylvania; Ebenezer Cook, John E. Henry, Davenport, Iowa; H. S. McComb, Wilmington, Delaware; Augustus Kountze, Omaha, Nebraska; John J. Blair, Belvidere, New Jersey; S. C. Pomeroy, Atchison, Kansas.

Officers elected in 1863 *prior to general election.*—President, William B. Ogden; secretary, H. V. Poor; treasurer, T. W. Olcott.

Officers elected October 30, 1863.—President, General J. A. Dix; vice-president, T. C. Durant; secretary, H. V. Poor; treasurer, J. J. Cisco.

1864.

At a meeting of the stockholders of the Union Pacific Railroad Company, held in New York, October 5, 1864, the following-named gentlemen were elected as directors of the company for the ensuing year; George Opdyke, John A. Dix, Thomas C. Durant, C. S. Bushnell, Brigham Young, George T. M. Davis, J. F. Tracy, E. Cook, J. J. Cisco, E. H. Rosekrans, H. S. McComb, Pickering Clark, Charles Tuttle, C. A. Lambard, and John E. Henry.

Officers elected for 1864.—President, J. A. Dix; vice-president, T. C. Durant; secretary, Charles Tuttle; treasurer, John J. Cisco.

1865.

At the annual meeting of the stockholders of the Union Pacific Railroad Company, held in New York, October, 1864, the following-named gentlemen were elected as directors of the company for the ensuing year: George Opdyke, J. J. Cisco, John A. Dix, E. H. Rosekrans, T. C. Durant, H. S. McComb, C. S. Bushnell, Pickering Clark, Brigham Young, Charles Tuttle, C. H. McCormick, C. A. Lambard, J. F. Tracy, John E. Henry, and E. Cook.

Officers elected for 1865.—President, Governor J. A. Dix; vice-president, Thomas C. Durant; secretary, Charles Tuttle; treasurer, J. J. Cisco.

1866.

At the annual meeting of the stockholders of the Union Pacific Railroad Company, held in New York, October 3, 1866, the following-named gentlemen were elected as directors of the company for the ensuing year; John A. Dix, Thomas C. Durant, C. S. Bushnell, Chas. Tuttle, John J. Cisco, H. S. McComb, C. A. Lambard, Oliver Ames, C. H. McCormick, John Duff, Josiah Bardwell, Sidney Dillon, Wm. H. Macy, John F. Tracy, Ebenezer Cook.

Officers for 1866.—President, General J. A. Dix; vice-president, Thos. C. Durant; secretary, Charles Tuttle; treasurer and assistant-treasurer, J. J. Cisco.

1867.

The undersigned gentlemen were elected to act as directors of the Union Pacific Railroad Company from October 4, 1867, until the next

annual meeting of stockholders of the company: T. C. Durant, John B. Alley, C. S. Bushnell, T. G. Glidden, J. J. Cisco, Oliver Ames, John Duff, Josiah Bardwell, F. G. Dexter, Sidney Dillon, Wm. H. Macy, John F. Tracy, Ebenezer Cook, Ben. E. Bates, H. C. McComb.

Officers, October, 1867, to March, 1868.—President *pro tem.*, Oliver Ames; vice-president, T. C. Durant; secretary, Chas. Tuttle; treasurer, J. J. Cisco.

1868.

At a meeting of the stockholders of the Union Pacific Railroad Company, held in New York, March 11, 1868, the following gentlemen were elected as directors of the company, viz: Thomas C. Durant, Oliver Ames, H. S. McComb, John J. Cisco, C. A. Lambard, Sidney Dillon, John F. Tracy, Benjamin E. Bates, John Duff, C. S. Bushnell, Wm. H. Macy, F. Gordon Dexter, John B. Alley, H. C. Crane, Josiah Bardwell.

Officers for 1868.—President, Oliver Ames; vice-president, Thos. C. Durant; treasurer, John J. Cisco; assistant-treasurer, Chas. Tuttle; secretary, H. B. Hammond.

[ROLLINS 9.]

Copy of list of stockholders used at the annual election of officers of the Union Pacific Railroad Company, held in New York, October 29, 1863.

Names of parties.	No. of shares subscribed by each.	Amount paid into the treasury of company.
Andrews, S	20	$2,000
Ames, S. J	20	2,000
Ashley, O. D	20	2,000
Ward, H	20	2,000
Bedford, H. W	20	2,000
Belmont, Aug	10	1,000
Bushnell, C. S	50	5,000
Brodhead, E. C	20	2,000
Bonner, G. T. & Co	20	2,000
Butler, E	10	1,000
Bartholemew, Geo. M	10	1,000
Brady, H. H	20	2,000
Barney, D. N	20	2,000
Blatchford, R. M	20	2,000
Butterfield, John	10	1,000
Blair, John I	20	2,000
Case, G. W	20	2,000
Clark, Edward	20	2,000
Clark, Dodge & Co	20	2,000
Cook, E	50	5,000
Corbin, N. B	20	2,000
Case, John J	20	2,000
Cheny, A. N	20	2,000
Crane, J. S	5	500
Crane, H. C	50	5,000
Cooper & Hewett	20	2,000
Chittenden, S. B	10	1,000
Corning, Erastus	20	2,000

Copy of list of stockholders, &c.—Continued.

Names of parties.	No. of shares subscribed by each.	Amount paid into the treasury of
Campbell, Allen	5	
Carver, B. F	10	1,0
Dix, John A	20	2,0
Duncan, Sherman & Co	20	2,0
Dehon, Clark & Bridges	20	2,0
Dunham, E. W	20	2,0
Davis, G. T. M	50	5,0
Dunham, James L	20	2,0
Durant, W. T	20	2,0
Durant, Thomas C	50	5,0
Dows, D	10	1,0
Durant W. W	20	2,0
Dodge, Wm. E	20	2,0
De Rouge & Dyett	20	2,0
Gibson, E. T. H	50	2,0
Grinnell, M. H	10	1,0
Gibson, C. D	10	1,0
Gray, S. M	10	1,0
Griswold, George	20	2,0
Gould, Charles	20	2,0
Gardner, Ransom	5	
Hartson, G. B	20	2,0
Harriman & Jerome	20	2,0
Hodges, G. W	20	2,0
Henry, J. E	50	5,0
Hushford, O. P	1	
Harren, F	10	1,0
Holliday, Ben	20	2,0
Jerome, A. G	20	2,0
Jerome, L. W	20	2,0
Jones, David	20	2,0
Kowalski, C	20	2,0
Ketchum, Morris	20	2,0
Kountze, Augustus	5	
Lambard, H. I	20	2,0
Low, A. A	20	2,0
Lambard, C. A	20	2,0
McComb, H. S	10	1,0
Merriam & Bell	20	2,0
McCready, F. H	20	2,0
McAndrews & Wann	20	2,0
Maxwell, John D	10	1,0
McPherson, Wm. M	5	
McCormick, John	1	
Megrath, James G	1	
Nye, E	10	1,0
Ogden, Wm. B	20	2,0
Opdyke, George	20	2,0
Pratt, G. W	20	2,0
Price, J. M	20	2,0
Pruyn, J. V. L	20	2,0
Poor, Henry V	10	1,0
Pomeroy, S. C	5	
Quintard, G. M	20	2,0
Rosekrans, E. H	20	2,0
Ramsford, G. S	10	1,0
Richards, L. S	20	2,0

Copy of list of stockholders, &c.—Continued.

Names of parties.	No. of shares subscribed by each.	Amount paid into the treasury of company.
Richards, T. P	20	$2,000
Richmond, Dean	20	2,000
Rinell, C. H.	20	2,000
Ridley, John	1	100
Roberts, M. O.	20	2,000
Scott, Thomas A.	20	2,000
Scranton, J. H.	50	5,000
Sedgwick, H. J. & Sons	20	2,000
Smith, Samuel B.	20	2,000
Smith, Platt	5	500
Sloan, Samuel	5	500
Smith, Francis	1	100
Smith, George R.	1	100
Storey, Wm. J.	1	100
Tuttle, Charles	20	2,000
Thompson, J. E	30	3,000
Tuttle, J. T.	20	2,000
Train, Geo. F.	20	2,000
Tracy, J. F.	20	2,000
Trask, W. R.	20	2,000
Train, Willie D.	20	2,000
Tilden, Wm.	10	1,000
Thayer, Nathaniel	20	2,000
Tiffany & Co.	10	1,000
Tilden, S. J.	20	2,000
Taylor, Moses	20	2,000
Thompson, G. A.	5	500
Van Schaick & Massett	20	2,000
Winslow, Lanier & Co.	20	2,000
Wright, J. B.	20	2,000
Williams & Guion	5	500
Watkinson, Robert	10	1,000
Williams, John M. S.	20	2,000
Wood, Thurlow	10	1,000
Williams, N. S.	20	2,000
Winston, F. S.	5	500
Young, Brigham	5	500

[ROLLINS 10.]

List of stockholders Union Pacific Railroad Company, and number of shares standing in their respective names at the closing of transfer books, February 24, 1872.

1	Adams, Cyrus	30	19	Andrews, Elisha Y	145
2	Alley, John B.	513	21	Atkins, Elisha	4,084
4	Ames, Oliver	31,883	23	Armstrong, Mrs. Emily D.	87
9	Ames, Oakes	4,661	28	Broom, E. P. L	5,000
8	Ames, Oakes, trustee	30	30	Brandon, Edward	14,900
13	Ames, Oliver & Sons	2,140	32	Baldwin & Weeks	800
14	Ames, Fred. L	85	34	Blake, Geo. Baty, jr.	4,500
15	Ames, Oakes A.	136	34	Blake, Geo. Baty, jr., as collateral.	4,000
16	Ames, Mrs. R. C	30			
16	Ames, Mrs. C. H	20	35	Baker, Ezra H	5,850

List of stockholders Union Pacific Railroad Company, &c.—Continued.

36	Baker, Ezra H., jr	297	146	Davis, Wm. H	2
36	Bangs, A. W	12	146	Daniels, David H	40
37	Bates, B. E., Treas. of trustees.	1,141	153	Drexel, Morgan & Co	200
38	Barstow, Rogers L	15	154	De Von, F. R	100
40	Black, Geo. W	2	156	Dillon, Sidney	6,197
42	Bates & Brown	2,410	158	Dillon, Mrs. Hannah	5,240
43	Bradford & Stanton	100	163	Dodge, G. M	4,700
44	Bangs, Coffin & Co	54	163	Dorrance, E. B	5
47	Bend, Wm. B	1,300	164	Dotger, A. J	100
49	Briggs, H. O	60	165	Duff, John	16,000
49	Briggs, Edwin	80	166	Duff, John R	62
49	Bliss, E. C. W	6	170	Durant, Thos. C	4
51	Briggs, Lloyd	100	174	Durant, T. F	200
51	Bristol, Wm. B	100	174	Duncan, Sherman & Co., in trust.	200
52	Baldwin, I. D	100	185	Eno, John C	100
59	Boissevain Bros	440	186	Elex & Brockerman	350
62	Brooks, James	490	187	Everett, J. Mason	100
63	Brewster, Sweet & Co	200	187	Evans, T. B	20
64	Boocock, Sam'l	300	187	Evans, Wharton & Co	700
65	Boyd, Vincent & Co	100	187	Ewell, Wood & Co	100
67	Bloodgood, John & Co	1,400	192	Fahr, Charles	200
70	Bullard, Lewis H	10	195	Francis, Chas. B	100
70	Bush, Richard D., trustee.	21	197	Fanshan & Milliken	50
71	Butler, Peter	7	199	Fessenden, Sewell H	40
72	Bushnell, C. S	711	199	Fessenden, Geo. L	34
76	Berlin & Hymans	200	202	Fish, James, jr	5
78	Banker, James H	100	204	Fellows, James W	3,200
81	Baldwin & Kimball	750	206	Fellows & Co	2,000
82	Benedict, Flower & Co	100	214	Ford, N. & Sons	45
82	Baylis, A. B. & Co	700	214	Foster, Pierpont B	187
85	Brown, Geo. & Sam'l & Co.	50	224	Gray, H. W	3,162
86	Becker & Fuld	220	227	Gray, H. W. & Co	200
88	Bunge, Wm. & Co	150	229	Gardner, Chas. P	146
91	Chapman, Oliver S	1,497	236	Gilbert, Horatio J	117
92	Chavlick, Oliver	309	237	Gilmore, Wm	10
94	Carpenter & Richards	100	237	Gilmore, Alson	30
95	Chase & Higginson	1,720	237	Gilmore, Edwin	10
95	Clark, Wm. Adolphus	15	237	Gilmore, Mary E	10
97	Chase, Geo. H	20	238	Gilmore, E. W	2
98	Champ, James	600	239	Glidden, Wm. T	105
99	Carnegie, Andrew	100	240	Glidden, John A	5
102	Capron, R. J. & Co	7,300	244	Glendenning, Davis & Amory.	400
102	Clark, Enoch	30			
102	Clark, A. P	75	244	Grimes, James W	2
104	Carter, Timothy J	100	252	Grinnell, Geo. B. & Co	42,200
104	Clark, James N	20	259	Gordan, Wm. A	25
108	Credit Mobilier of America	1,890	261	Gourlay, Amanda G	25
111	Clark, Horace F	200	262	Hawley, W. N	20
112	Cisco, John J. & Sons	205	262	Harding, A. C	10
115	Colby, Walter	10	263	Ham Brothers	400
116	Coolidge, John T	980	265	Hazard, Rowland G	125
117	Codman, Chas. R	104	268	Hazard, Roland	250
117	Crosby, Geo. L	13	269	Hazard, Isaac P	150
120	Cobb, F. D. & Co	50	270	Hazard, Mary P	10
121	Cooke, Jay & Co	100	270	Hazard, Elizabeth	13
122	Campbell & Richmond	1,200	270	Hazard, Elizabeth, trustee	7
123	Cooper & Graff	100	270	Hazard, Anna	2
124	Crosby, Helen	4	271	Hazard, Sarah L	10
124	Crosby, E. C	11	271	Haven, Franklin	40
125	Crook, Richard L	200	272	Hawley, T. & Co	25
130	Colgate, Edward	100	273	Hale, Wm. L	10
130	Coddington, Jefferson	300	274	Hatch, Rufus	10
131	Closon & Hays	6,400	275	Hatch, Walter T. & Son	2,000
132	Cahen, Joseph	1,780	276	Hartshorne, J. M. & Bro.	3,100
139	Cutting, R. L., jr. & Co	1,900	279	Haven, Franklin, trustee.	1,900
142	Chaplin, Ernest	2,000	280	Hatch & Foote	5

List of stockholders Union Pacific Railroad Company, &c.—Continued.

81	Haight, G. L. & L	200	430	Nickerson, Frederick	3,000
82	Heath, Wm. & Co	400	431	Nickerson, Joseph	1,109
83	Hinkley, John K	50	432	Nickerson, Thomas	435
84	Herdelback, Frank & Co	100	432	Nickerson, F. W., trustee	20
85	Hobart, Aaron, jr	163	432	Nickerson, Geo. A	200
86	Horner, Anna	1	432	Nickerson, Albert W	200
87	Howard, Mary L	10	432	Nickerson, Josephine	200
88	Hotchkiss, Nath'l S	100	432	Nickerson, Miller W	10
89	Hough, B. K	983	435	Newcomb & Cook	3,500
90	Hodges, F. S	20	443	Owens & Lonen	1,230
91	Hough, Chas. T., trustee	20	448	Opdyke, George	300
92	Horton, H. L. & Co	600	454	Packard, Frederick	22
93	Hooper, Sam'l & Co	6,352	455	Paine, Chas. J	250
94	Hoyt, L. T	2,100	456	Page, Richardson & Co	45
95	Hughes, G. H	50	463	Peters, Geo. H	50
96	Hutchinson & Demmick	283	463	Peck, Nathan	215
97	Hunnewell, Hollis	250	463	Peck, Thos. B	110
98	Hunnewell, Francis W	150	464	Perkins, H. S	25
99	Hunnewell, Walter	50	464	Phelps, Sam'l B	7
100	Hunnewell, Arthur	250	464	Prince, M	5
101	Jackson, John P	50	465	Painter, U. H	53
102	Johnston, James B	250	466	Pigot, Jos. B	1,900
103	Jones, David	97	470	Poudir, John	6,566
104	Jones, Maria L	15	475	Powers, Jos. B	100
105	Jordan, N. W	65	475	Pollard, C. W	50
106	Jones, R. H	4,005	475	Poor, C. C	10
107	Jacobson, J. M	740	475	Pycott, John W	50
108	Johnston, Bros. & Co	1,000	480	Pützner & Co	130
109	Kimball, D., guardian	20	502	Pullman, Geo. M	8,400
110	Kissam & Co	1,500	504	Putnam & Earle	400
111	Kennedy, Geo. W	1,240	514	Raphael, S., & Co	1,530
112	Knickerbacker, Thos. A	100	516	Randolph, E. D., & Co	100
113	Knickerbacker & Co	100	548	Rasmus & Lissignoli	100
114	Kimber, Arthur	200	520	Robinson, Chase & Co	200
115	Kountze Bros	400	521	Reed, Lucy R	55
116	Kidd, T. A	1,000	521	Reed, Alfred A	420
117	Lawrie, Andrew B	100	521	Ritch, Thos. G	100
118	Lawrence, Bros. & Co	200	522	Reed, A. A., jr	20
119	Lathe, Martin	50	80	Raymond, Barney & Co	1,700
124	Lennox, Wm. P	300	524	Ribon, J. J	400
125	Lincoln, Geo. W	10	528	Richardson, Miss Elizab'th	10
126	Lockwood & Co	2,300	531	Roberts, Wm. A	50
127	Lathrop, Cyrus	10	532	Robbins, Rayal E	200
127	Lippman, Rosenthal & Co	1,630	535	Robbins, Henry A	4,600
127	Leonard, Sheldon & Foster	600	537	Robertson, John B	10
128	Martin, M. L. B	2,300	538	Robins, Powell & Co	100
129	Macy, Wm. H	450	546	Rutler & Gross	500
130	Mann, Harriet C	14	547	Russell, S. T., & Co	200
132	Manning, David, jr	1	547	Rutton & Brown	1,400
134	Marquand & Hill	352	548	Rotterdamsche Banks	640
137	Maynard, E. D., trustee	100	551	Sargent, Ignatius	200
137	Martin, Henry	4	551	Sanford, Wm. E	88
139	Maynard & Sons	2,500	552	Sampson, J	6
140	Means, J. Oliver	40	552	Scranton, J. H	10
140	Means, Mrs. Sarah H	10	554	Sanders, Hardenbergh & King	100
141	Meserole & Trumball	100	554	Sands, Sam'l S., & Co	100
147	McCaine, R. R	100	555	Stanton, J. S	10
148	McComb, H. S	152	556	Smalley, Sam'l	25
149	McFarland, David	20	556	Smalley, Alvan	40
150	Morehouse, Philo	200	557	Swan, Otis D., & Co	900
151	Moore, E. C	100	558	Stevens, Ward B	1
152	Morton, Bliss & Co	18,500	558	Stevens, E. H	6
153	Morton, L. P	100	558	Stevens, Hiram A	10
153	Morton, Rose & Co	420	560	Sweetser, Isaac	50
154	Mumford, Catharine D	50	560	Seymour, Wm. A	5
155	Munroe, B. F	5	562	Swift, Wm. C	500
156	Neilson, Chas. H	822			

List of stockholders Union Pacific Railroad Company, &c.—Continue

562	Smith, Mayo G	10	638	Ten Harve Frzn, J. L	
563	Smith, Henry O	154	655	Van Wyck, Jacob	
563	Speyer & Co., Philip	300	656	Vernon, Sophia	
564	Stetson, Thos. M	1,004	657	Vemilye & Co	2,
565	Sweet, Edward, & Co	750	659	Vernam & Hay	
568	Skinner, David	50	622	Von Hoffman, L., & Co	
568	Smith, Elizabeth	2,500	664	Voorhouse, H. C., & Co	
568	Smith, Fred. H	100	678	Wallace, F. B., & Co	2,
574	Stone, Eben F	50	667	Waite, C. C	
572	Scott, Thomas A	100	668	Warren, Walter P	
574	Scott, E. P., & Co	100	668	Warner, C. H., cashier	1,
576	Suydam, James S	12,361	669	Walker, Francis T	
582	Scott, Strong & Co	500	673	Warner & Co	
586	Schell, Augustus	100	674	Weeks, Stephen	
588	Skillings, Whitney Bros. & Barnes	500	674	Weld, Benj. C	
607	Taft, John B	3	674	Weld, Ella A	
608	The office of Administration of American Funds, &c	350	674	Wheelock, Jerome	
610	Taussig, Fisher & Co	100	676	Watson, Walter	7,
616	Taylor, Wm. H	111	678	Williams, John M. S	
617	Thatcher, Isaac	1,061	679	Williams, Theo. J	
619	Tapp, Wallace	50	680	Williams & Guion	
620	Trask & Stone	900	681	Winchester, O. F	
622	Ten Harve & Van Essen	20	681	White, Mrs. Emily Francis	
622	Terwilliger, F. L	5	682	White, Wm. M	
622	Tillinghast, Wm. E	200	682	Witherell, Mrs. Sarah A	
624	Teixeira de Mattos Bros	3,820	682	Winship, J. P. C	
626	Thorndike, Jas. P., trustee	2,000	683	Whitney, Edwin	
627	Thieriot, F. M	100	685	Whitehouse & Co	
628	Trowbridge, E. H	300	685	Winchester, J. T	
629	Trowbridge, Henry	661	691	Williams, Wm. S	1,
630	Thompson, J. Edgar	100	694	Widow, Tjeenk & Co	
632	Trowbridge, E. Hayes, jr	100	695	Wotterback, R. D	
634	Tuttle, Chas	20	696	Walker, Francis T., & Co	1,
635	Tucker, Joseph	100	698	Whitcomb, E. A	
635	Turner, Seth	50	698	Whitridge, J. A	
636	Truman, H. H	100	699	Worden & Leverich	1,
638	Tutein, Nolthenius & de Haan	470			367,

List of subscribers to the capital stock of the Union Pacific Railroad Co pany, (shares one thousand dollars each,) with the number of shares s scribed and amount paid on same set opposite the names of such subscribe

Name.	No. of shares.	Amou paid.
Grinnell, Moses H	10	$10,
Kountze, A	2	
McCormick, John	2	
McPherson, W. M	5	
Swasey, W. J	2	
Williams & Guion	5	1,
Young, Brigham	5	5,
		17,

I certify that the foregoing list of stockholders of the Union Pacific Railroad Co pany, representing three hundred sixty-seven thousand four hundred and fifty (367,

...ove, and also the foregoing list of subscribers to capital stock, one thousand dollars ($1,000) shares, representing payments amounting to seventeen thousand three hundred dollars, ($17,300,) are true and correct, as shown by the books of the company at the close of business February 24, 1872.

Very respectfully,

JAMES G. HARRIS,
Transfer Agent.

[ROLLINS 11.]

List of stockholders of the Union Pacific Railroad Company at the close of business February 26, 1870.

...ley, John B	3,833
...ton, F. L	320
...ton, Gustavus	300
...ton, Mrs. R. C	30
...ton, Oliver	32,113
...ton, Oliver, & Sons	5,140
...ton, Oakes	20,319
...ton, Oakes, trustee	1,099
...ton, P. Adams	2,179
...drews, F. W	1,485
...drews, F. W., guardian S. P. Allen	50
...pleton, Daniel F	186
...ton, Elisha	5,044
...ker, E. H	5,450
...ker, jr., E. H	457
...ker, William	40
...ch, G. H	45
...ch, Agnes	30
...ll, H. K	30
...lmer, Hermon R	100
...rge, William H	100
...dwell, Josiah	3,814
...dwell, Josiah, trustee	1,145
...rnes, O. W	47
...rtlett, J. R	110
...rnum, P. T	200
...ss, Benj. E	3,735
...ss, Benj. E., treasurer, trustees	1,172
...ss, Benj. E., trustee for Mrs. L. I. Nourse	351
...ss, Benj. E., James T	30
...rd, Eli	655
...rd, Sylvester M	655
...ll, Clark	10
...rgess, A. J	50
...ke, Henry T	45
...ss, George	240
...ad, Henry	29
...yer, B. M	411
...yer, B. M., trustee for Mrs. B. M. Boyer	87
...dford, Gamaliel	735
...dley, C. P	100
...ad, Hubbard	10
...ddel, W. B	257
...oks, James	490
...t, Samuel P	100
...ckell, C. S	4,926
...ller, Peter	187
...dney, C. Allen	20
...pman, O. S	3,148
Charlick, Oliver	9
Childs, Otis	20
Cisco, J. J	2,255
Claflin, William	340
Comstock, J. D	3
Condict, J. E	80
Cook, Clarissa	551
Cook, Ebenezer	1,100
Coolidge, J. T	1,800
Coolidge, J. T., jr	250
Crane, H. C	2,817
Crane, H. C., trustee	1,380
Crane, H. C., trustee Mrs. W. D. Train	1,176
Crane, H. C., J. J	50
Credit Mobilier of America	1,890
Cummings, W. A	575
Cushman, James S	200
Cushman & Hurlbert	100
Davies, J. M	250
De Haven & Bro	140
Delevan, C. S	10
Dillon, Sidney	7,300
Dillon, Mrs. Hannah	5,240
Dodge, Greenville M	785
Dix, John A	690
Duff, John	4,880
Duff, John R	11,082
Durant, W. F	760
Durant, T. C	36,522
Eagar, E. R	60
Easton, A. D	25
Egleston, W. C	50
Elliott, S. M	240
Emott, James	260
Everett, J. Mason	80
Eustis, W. F., trustee	10
Fearing, Albert	200
Fessenden, L. G	80
Fessenden, Sewall H	287
First National Bank, New Haven	500
Fiske, C. H., trustee	400
Fiske, jr., James	6
Foote, jr., F. W	50
Forbes, W. D	200
Foster, Dwight	200
Foster, Pierpont B	367
Fowler, James H	1,512
French, C. H	260
French, L. Eugene	40
Gardner, C. P	50
Gilbert, Horatio	1,671

List of stockholders Union Pacific Railroad Company, &c.—Continue

Gilbert, Horatio J	958	Meyer, E. Reed	
Gilmore, E. W	1,452	Moore, E. C	
Glidden, John A	605	Morton, Bliss & Co	1,0
Glidden, John M	735	Nass, William	
Glidden, W. T	4,423	Neilson, C. H	
Gray, Francis A	125	Nickerson, Frederick	2,1
Gray, G. G	9,030	Nickerson, Joseph	3,1
Gray, H. W	4,605	Nickerson, Miller W	
Griffing, M. H	100	Nickerson, Thomas	
Griggs, Salem	40	Opdyke, George	4,7
Grimes, James W	2,077	Parker, C. H	
Griswold, J. N. A	1,009	Partridge, Warren	
Guest, W. A	445	Peck, Nathan	
Ham, Benj. F	3,647	Perkins, F. P	
Ham, Benj. F., James M., trustee	100	Perkins, T. H., guardian	
Hammond, Henry B	20	Phelps, James	
Harding, A. C	270	Pigot, Joseph	1,0
Haskins, Ira	25	Pomeroy, E. H	
Haven & Co	100	Pondir, John	1,9
Hawley & Co., T	225	Pasmus & Lissignola	
Hawley, W. N	90	Reed, A. A	
Hazard, Anna	143	Reichie, Louis	
Hazard, Elizabeth	160	Ribon, J. J	1,9
Hazard, Elizabeth, trustee	53	Rice & Whiting	
Hazard, Isaac P	2,077	Richardson, Benj	
Hazard, Mary P	101	Richardson, Miss E	
Hazard, Roland	2,462	Richardson, Joseph	1,9
Hazard, R. G	18,856	Robbins, Chandler	
Hazard, Sarah L	100	Robbins, H. A	
Hedden, Josiah	1,000	Robbins, R. E	2,7
Hinckley, S. L	50	Rogers, W. C	
Hobart, jr., Aaron	163	Sampson, J	
Hodges, F. S	20	Sandford, Henry	
Holliday, Benj	1,300	Sandford, James H	
Hooper, Samuel, & Co	6,352	Scranton, E. S	
Horner, Anna	3	Scranton, J. H	
Hotchkiss, Henry	1,212	Sears, Geo. O	
Hough, B. K	317	Seney, G. J	
Howland, Gardner G	300	Shaw, Frank	
Hunnewell & Sons, H. H	1,500	Skinner & Co., F	1,0
Hurlbert, jr., Henry A	200	Smith, G. P	
Ingalls, Henry	100	Smith, O. C	
Ingersoll, J. E	11	Spencer, A. W	
Jencks, B. H	1,500	Sprague, C. J	1,0
Johnson, R. C	750	Stetson, Thomas M	
Johnston, James B	3,680	Stevens, W. B	1,0
Jones, David	3,197	Stevens, W. B., trustee	
Kennedy, G. W	610	Stevens, jr., W. B	
King, John L	750	Stevens, Amory & Co	
Lambard, C. A	3,051	Stone, Daniel	
Lancon, George	1,700	Sturgis, James	
Lee, N	20	Sweetser, Isaac	
Lockwood, Le Grand	2,006	Ten Harve & Van Essen	
Lord, Thomas	105	Thatcher, Isaac	
Low, A. A	735	Thomas, T. G	
Macy, Geo. N	25	Torrey, Lydia	
Macy, W. H	2,535	Tracy, John F	
McComb, H. S	6,092	Trowbridge, E. H	
McCormick, C. H	8,011	Trowbridge, Henry	
McNeil, R. G. S	20	Truesdell, L. E	
Manning, Thomas	100	Turner, Seth	
Martin, Henry	4	Tuttle, Chas	
Maynard & Sons	430	Vernon, Sophia	
Means, W. P. M	60	Vialle, Chas. A	
Mason, W. P	40	Waite, C. C	
Merrick, G. G	200	Warren, W. P	

List of stockholders Union Pacific Railroad Company, &c.—Continued.

Warren & Co	22	Williams, J. M. S	5,001
Wheelock, Jerome	10	Williams & Guion	910
White, Mrs. E. Frances	120	Winchester, O. F	100
White, W. M	1,074	Zabrouski, M	595
Wilder, Geo. E	25		
Williams, Horace	100		337,450
Williams, Jarvis & Sons	850		
Williams, John E	200		

List of subscribers to the capital stock of the Union Pacific Railroad Company, (shares one thousand dollars each,) with the number of shares subscribed and amount paid on same set opposite the names of such subscribers.

Names.	No. shares.	Amount paid.
Grinnell, Moses H	10	$10,000 00
Kuntz, A	2	400 00
McCormick, John	2	200 00
McPherson, W. M	5	500 00
Storey, W. J	2	200 00
Williams & Guion	5	1,000 00
Young, Brigham	2	5,000 00
		17,300 00

I certify that the foregoing list of stockholders, representing three hundred and thirty-seven thousand four hundred and fifty (337,450) shares, and also the foregoing list of subscribers to the capital stock, representing payments amounting to seventeen thousand three hundred (17,300) dollars, are true and correct as shown by the stock-ledgers of the Union Pacific Railroad Company at the close of business February 26, 1872.

[ROLLINS 12.]

List of stockholders Union Pacific Railroad Company, and number of shares standing against their respective names at closing of books, February 25, 1871.

Abbott, Frederick	180	Ashley, O. D. & Co	450
Adams, Cyrus	30	Atkins, Elisha	4,084
Alley, John B	1,600	Armstrong, Mrs. Emily S	87
Alley, G. B	200	Baker, Ezra H	4,850
Ames, Oliver	32,113	Baker, Ezra H., jr	457
Ames, Oakes	16,568	Bates, Benjamin E, treasurer of trustees	1,148
Ames, Oakes, trustee	749	Baltzer, Herman R	300
Ames, P. Adams	600	Baker, William	40
Ames, Oliver, & Sons	5,140	Barston, Rogers L	5
Ames, Gustavus	275	Barry John S	100
Ames, Mrs. R. C	30	Bave, Arthur	100
Ames, Fred. L	1,185	Bartley, Francis	5
Ames, Catherine H	20	Bates & Brown	500
Ames, Oakes A	100	Barlow, James	3
Ames, Oliver, second	100	Baker, Henry T	9
Andrews, Frank W	1,535	Beard, Eli	355
Andrews, Eliza T	45		

List of stockholders Union Pacific Railroad Company, &c.—Continued

Beard, Sylvester M	655	Dillon, Mrs. Hannah	5,9
Benyon, A. J	100	Dix, John A	2
Bend, W. B	200	Dodge, G. M	7
Beck, Brothers	100	Dodge, James G. C	3
Bird, J. S	50	Dorrance, E. B	
Bliss, George	320	Dotger, A. J	1,3
Bliss, George, trustee	88	Duff, John	4,0
Bliss, E. C. W	5	Duff, John, in trust	2
Black, George W	2	Duff, John R	11,0
Blauvett, G. M. S	30	Durant, Thomas C	6,2
Boyd, Falls & Vincent	200	Durant, T. F	3,1
Bolles, M., & Co	7	Durant & Earle	0
Brooks, James	490	Earle, William M	5
Briggs, Edwin	80	Eagar, Edward R	
Breed, Hubbard	10	Easton & Milne	1
Briggs, H. O	75	Eno, John C	3,1
Brewer, James P., agent	50	Egleston, William C	1
Brintall, P. L	300	Everett, J. Mason	
Bushnell, C. S	2,711	Ewell, Wood & Co	1
Butler, Peter	7	Fahr, Charles	1,0
Bullard, Lewis H	10	Fessenden, Sewell H	
Bullard, John R	75	Fessenden, Louisa G	2
Bush, Richard D., trustee	21	Fessenden, George L	
Burr, Joshua	5	Fisk, James, jr	
Brown, Dunning & Co	200	Fitzgerald, G. E	
Byram, E. S	25	Forbes, William D	4
Bemis, George F	200	Foster, Pierpont B	2
Castellanos, A. V	100	Fox, John T	1
Capron & Strong	150	Ford, N., & Sons	
Casey, Oliver S	10	Fowler & Wilson	
Chapman, Oliver S	3,148	Fogg Brothers & Co	
Charlick, Oliver	9	French, L. Eugene	
Childs, Otis	40	Frankenheimer, L	0
Chase, George H	20	Frost, Charles L	
Champ, James	500	Francis, Charles B	1
Cisco, John A	200	Fuller, Charles E. & Co	2
Cisco, John J	500	Gardner, Charles P	1
Cisco, John J., & Son	3,105	Gardner, William	
Claflin, William	340	Gardiner, Charles P., trustee	2
Clark, William Adolphus	30	Gilbert, Horatio	5
Cotter, William	25	Gilbert, Horatio, jr	7
Comstock, John D	3	Gilmore, E. W	1,4
Coolidge, John T	2,050	Gilmore, William	1
Codman, Charles R	104	Gilmore, Edwin	1
Colby, Walter	15	Gilmore, Mary E	1
Cogswell, George B	25	Gilmore, Alson	
Cook, Olney	40	Gilley, J. E. M	1
Cooke, Jay, & Co	100	Glidden, William T	4,1
Cobb, F. D., & Co	50	Glidden, John M	7
Crane, Henry C	503	Glidden, John A	6
Crane, Henry C., trustee	100	Gordon, William A	
Crane, J. J	50	Goodwin, H. H	
Credit Mobilier of America	1,890	Gorham, Alfred, trustee	
Crosby, E. C., trustee	15	Gibson, Casan	5
Crosby, George L	3	Gray, H. W	2,4
Crowell, Prince S	120	Gray, George Griswold	8,1
Cummings, William A	575	Gray, H. W., & Co	4,0
Cutting, jr., R. L., & Co	300	Grimes, James W	1,0
Davies, John M	250	Griffing, M. H	1
Davis, William H	2	Griswold, John N. A	7,3
Daniels, David H	50	Grant, Richard S	5
Delavan, C. T	10	Graham, Charles	1
De Haven & Bro	100	Graves, R. R., & Co	3
Dennison, William	100	Ham, B. F	1
Dehon, William, trustee	240	Ham Brothers	4,2
Dillon, Sidney	7,300	Hazard, Anna	1

List of stockholders, Union Pacific Railroad Company, &c.—Continued.

[illegible], Elizabeth	160
[illegible], Elizabeth, trustee	53
[illegible], Isaac P	2,077
[illegible], Mary P	101
[illegible], Roland	917
[illegible], Rowland G	10,661
[illegible], Sarah L	100
[illegible], Webster T., & Son	200
[illegible], Franklin	680
[illegible], G. G., & Co	600
[illegible], F. A., & Co	50
[illegible], W. N	90
[illegible], T., & Co	225
[illegible], Abner, C	10
[illegible]wood, Henry B	700
[illegible], Josiah	615
[illegible], William & Co	150
[illegible], M. B	10
[illegible]ley, Edward D	100
[illegible], John K	25
[illegible], Aaron, jr	163
[illegible]ay, Benjamin	1,000
[illegible], Samuel & Co	6,352
[illegible], Anna	3
[illegible]kins, Henry	1,712
[illegible], Charles T., trustee	20
[illegible], B. K	583
[illegible], Mary L	10
[illegible], John J	5
[illegible]land, G. G	100
[illegible]land, Gardner G	300
[illegible], H. L., & Co	100
[illegible], F. S	20
[illegible]swell, H. H., & Sons	1,500
[illegible], William L	2,200
[illegible], Henry	200
[illegible]ell, J. E	11
[illegible], James B	1,680
[illegible], David	97
[illegible], Warren L	15
[illegible], N. W	65
[illegible], Edwin	100
[illegible], F. G	2
[illegible], Stillman	20
[illegible], Samuel K	18
[illegible], D., guardian	20
[illegible], George P	20
[illegible], A. W	200
[illegible], C. H., & Co	300
[illegible], Adolf	100
[illegible], Charles A	100
[illegible], George	100
[illegible], Benedict	100
[illegible], Andrew B	100
[illegible], Gould & Co	100
[illegible], Derrick	100
[illegible]	20
[illegible], William P	200
[illegible]ington, W. S	15
[illegible]wood, Le Grand	500
[illegible], Thomas	105
[illegible], Cyrus	10
[illegible], C. D	26
[illegible], C. S	50
[illegible], Henry	4
[illegible], William H	2,535
Mann, Harriet C	14
Marquand, Hill & Co	1,750
Manning, David, jr	1
Marie, Peter	1,400
McComb, Henry S	2,875
McCormick, Cyrus H	5,171
McNeil, R. G. S	20
McLeod, Allen	21
McFarland, David	20
McWilliams, W. J	3
McGregor, J. A	50
Myer, E. Reed	30
Means, W. P. M	60
Means, J. Oliver	40
Moore, E. C	18
Merrick, George G	200
Morton, Bliss & Co	19,050
Morse, E. Rollins & Bro., agents	250
Mowry, A. L., & Co	200
Monroe, E. S., & Co	100
Mumford, Catharine D	50
Neilson, Charles H	822
Nass, William	45
Naetling, C. T	100
	1,000
Nickerson, Frederick	3,148
Nickerson, F. W., trustee	20
Nickerson, Joseph	2,369
Nickerson, Thomas	685
Nickerson, George A	200
Nickerson, Miller W	10
Nickerson, Albert W	200
Nickerson, Josephine	200
Ober, Joseph E	25
Oldfield, H	300
Opdyke, George	2,396
Paine, Charles J	250
Parker, Charles Henry	35
Papanti, L	50
Page, Richardson & Co	200
Perry, William S	100
Peters, C. G	600
Peck, Nathan	415
Perkins, T. Henry	100
Peck, Philip	100
Peck, Thomas B	10
Peters, George H	50
Perkins, H. S	25
Perry & Lawrence	100
Phillips, W. P	50
Phelps, Samuel B	7
Pondir, John	8,935
Pollard, C. W	50
Powers, Joseph B	100
Poor, C. C	10
Presbrey, Edward A., cashier	300
Pigot, Joseph B	6,495
Pierson, J. M	200
Phelps, James	140
Pratt, Albert F	3
Prince, M	5
Putnam, N. D	1,203
Putnam, C. A	100
Pycott & Bennett	50
Pycott, John W	50
Reed, Alfred A	420

List of stockholders, Union Pacific Railroad Company, &c.—Contin

Read, Lucy R	25
Redmond, William, jr	100
Randolph & Co., E. D	844
Richardson, Joseph	4,066
Richardson, Miss Elizabeth	10
Richardson, Benjamin	100
Ribon, J. J	1,506
Reicher, Louis	55
Ritch, Thomas G	500
Ribon & Munoz	2,200
Robbins, Henry A	4,700
Robbins, Royal E	7,850
Robertson, John B	10
Robinson, William H	200
Robins, Powell & Co	200
Southwick, John C	998
Sampson, J	6
Sargent, Ignatius	200
Sanford, Charles F	87
Sanford, William E	68
Sanford, James H	138
Scranton, J. H	10
Scott, T., & Son	100
Scott, E. P., & Co	2,300
Sears, Nathan	35
Sears, Jacob	80
Seymour, William A	5
Shepard, Edward ●., coll	20
Smith, Mayo G	10
Smith, Henry O	154
Sprague, Joseph	20
Sprague, Charles J., cashier	100
Spitz, Henry B	21
Stout & Dickenson	100
Stearns, Frank P	10
Stetson, Thomas M	1,004
Stevens, William B	100
Stevens, Amory & Co	420
Studley, S. G	20
Stevens, Ward B	1
Stone & Downer	799
Stone, Eben F	50
Stevens, William H	10
Stevens, E. H	8
Stevens, Hiram A	10
Stephens, David	45
Stoker, Taylor & Co	600
Suydam, James S	13,216
Sweet, Edward & Co	
Sweetser, Isaac	
Taylor, William H	
Taylor, Louis K	
Ten Harve & Van Essen	
Terwilleger, F. L	
Thatcher, Isaac	
Thomson, Milton H	
Thain, Alexander	
Tillinghast, W. E	
Torrey, Lydia	
Tower, Giddings & Torry	
Trowbridge, E. H	
Trowbridge, Henry	
Tuttle, Charles	
Tucker, Joseph	
Turner, Seth	
Underhill, George E	
Utley, Dougherty & Scott	
Vernon, Sophia	
Vermilye & Co	
Waite, C. C	
Warren, Walter P	
Warner, Oliver	
Warner, C. H., cashier	
Walker, Francis T	
Weston & De Billier	
Weld, Ella	
Weld, Benjamin C	
Weeks, Stephen	
Weeks, Mrs. Emily Francis	
White, C. E	
White, William M	
White, Davis J	
Wheelock, Jerome	
Whitney, Edwin	
Williams, John M. S	
Williams & Guion	
Williams, Horace	
Williams, Theodore J	
Williams & Hall	
Williams, Mrs. E. A	
Winchester, O. F	
Wing, J. E	
Willis, J. H	
Total	

List of subscribers to the capital stock of the Union Pacific Railroad Company, shares $1,000 each, with the number of shares subscribed, and amount paid on same set opposite the names of such subscribers.

Names.	Number of shares.	Amount paid.
Colwell, Moses H	10	10,000
Lentz, A	2	400
McCormick, John	2	200
McPherson, W. M	5	500
Seney, W. I	2	200
Williams & Guion	5	1,000
Young, Brigham	5	5,000
Total		17,300

I certify that the foregoing list of stockholders of the Union Pacific Railroad Company, representing three hundred and sixty-seven thousand four hundred and fifty ($367,450) shares, and also the foregoing list of subscribers to capital stock, one thousand dollars, ($1,000,) shares representing payments amounting to seventeen thousand three hundred, ($17,300,) are true and correct, as shown by the books of the company at the close of business, February 25, 1871.

JAMES G. HARRIS,
Transfer Agent.

Q. What disposition was made of income bonds?—A. Five thousand eight hundred and seventy were delivered to trustees at 60. Two thousand four hundred and fifty-seven were exchanged for first-mortgage bonds.

Q. With whom was that exchange made?—A. Made with the parties who held those certificates.

Q. Do you know who they were?

[ROLLINS 14.]

THE UNION PACIFIC RAILROAD COMPANY.

Statement of income bonds exchanged for certificates for first-mortgage bonds.

1869.			1869.		
Oct. 31	G. Bradford	1	Oct. 31	B. E. Bates	37
Oct. 31	Oakes Ames	1	Oct. 31	Isaac Thatcher	7
Oct. 31	W. B. Stevens	4	Oct. 31	Thos. Nickerson	4
Oct. 31	A. Hobart	1	Oct. 31	Fred. Nickerson	5
Oct. 31	Thos. M. Stetson	2	Oct. 21	Sidney Dillon	25
Oct. 31	G. Bradford	7	Oct. 31	J. B. Alley	7
Oct. 31	J. Bardwell	20	Oct. 31	Beards & Cummings	6
Oct. 31	J. B. Johnston	15	Oct. 31	George Opdyke	4
Oct. 31	H. A. & R. E. Robbins	30	Oct. 31	C. C. Waite	2
Oct. 31	F. W. Andrews	8	Oct. 31	Saml. Hooper & Co	30
Oct. 31	H. Hotchkiss	11	Oct. 31	H. Trowbridge	3
Oct. 31	Ebenezer Cook	6	Oct. 31	E. W. Gilmore	4
Oct. 31	H. & H. J. Gilbert	14	Oct. 31	J. Bardwell	2
Oct. 31	Oakes Ames	127	Oct. 31	E. Atkins	36
Oct. 31	W. H. Macy	10	Oct. 31	Glidden & Williams	36
Oct. 31	J. J. Cisco & Son	13	Oct. 31	Joseph Nickerson	14
Oct. 31	A. A. Low	8	Oct. 31	O. S. Chapman	26
Oct. 31	E. H. Trowbridge	4	Nov. 5	E. H. Baker	50
Oct. 31	Martin Zebrowski	7	Nov. 9	Sidney Dillon	10

Statement of Union Pacific Railroad Company bonds, &c.—Continued

1869.			1870.		
Nov. 9	George Opdyke	25	Jan. 12	E. S. Scranton & Co	
Nov. 11	S. H. Fessenden	2	Jan. 12	C. H. McCormick	
Dec. 4	do	2	Jan. 12	Beard & Cummings	
Nov. 12	John Duff	67	Jan. 15	George Opdyke	
Nov. 12	E. W. Gilman	2	Jan. 19	G. G. Gray	
Nov. 17	O. S. Chapman	5	Jan. 29	J. Bardwell	
Nov. 17	C. C. Waite	2	Jan. 25	James Brooks	
Nov. 19	Beards & Cummings	6	Jan. 25	George Opdyke	
Nov. 22	Saml. Hooper	26	Jan. 26	G. G. Gray	
Nov. 22	Oakes Ames	5	Jan. 26	R. G. Hazard	
Nov. 19	do	50	Jan. 26	do	
Nov. 27	do	23	Jan. 29	J. Bardwell	
Dec. 3	do	73	Jan. 29	E. H. Baker	
Nov. 25	J. Nickerson	14	Jan. 29	do	
Nov. 27	F. Nickerson	7	Jan. 29	T. B. Foster	
Dec. 3	J. Bardwell	10	Jan. 29	C. S. Bushnell	
Dec. 9	do	5	Jan. 29	do	
Dec. 4	J. Bardwell, trustee	10	Jan. 5	Oakes Ames	
Dec. 3	R. E. Bates, trustee	3	Feb. 2	T. B. Foster	
Dec. 6	do	54	Feb. 16	E. Readmeyer	
Dec. 3	H. Trowbridge	2	Feb. 11	B. F. Ham	
Dec. 4	C. S. Bushnell	30	Feb. 2	George Bliss	
Dec. 7	Oliver Ames	76	Feb. 9	R. G. Hazard	
Dec. 27	do	75	Feb. 10	C. S. Bushnell	
Nov. 6	do	200	Feb. 10	H. C. Crane	
Dec. 14	Thos. Nickerson	4	Feb. 11	T. C. Durant	
Dec. 27	Joseph Richardson	4	Feb. 11	B. F. Ham	
Dec. 27	Le Grand Lockwood	28	Feb. 16	J. Bardwell	
Dec. 28	Elisha Atkins	10	Feb. 16	do	
Nov. 5	E. H. Baker	1	Feb. 16	T. C. Durant	
Dec. 31	Gliddon & Williams, for others.	1	Feb. 16	Josiah Hedden	
			Feb. 16	George Opdyke	
Dec. 31	Le Grand Lockwood	1	Feb. 17	E. H. Gilmore	
Dec. 31	Gliddon & Williams	10	Feb. 17	G. G. Gray	
Dec. 31	John Duff	21	Feb. 18	John Duff	
Dec. 31	C. H. McCormick	53	Feb. 18	T. C. Durant	
1870.			Feb. 25	H. S. McComb	
Jan. 12	do	1	Feb. 28	J. R. Duff	
Jan. 14	Oliver Ames	1	Mar. 10	David Jones	
Jan. 11	C. C. Waite	2	Mar. 3	T. C. Durant	
Jan. 12	C. H. McCormick	5	Mar. 7	H. S. McComb	
Jan. 1	R. G. Hazard	28	Mar. 11	David Jones	
Jan. 1	do	2	Apr. 6	Stone & Downer	
Jan. 1	do	1	Apr. 21	B. F. Ham	
Jan. 1	do	5	Apr. 21	do	
Jan. 3	F. Skinner & Co	14	Apr. 21	Oliver Ames	
Jan. 3	E. W. Gilmore	3	July 12	B. F. Ham	
Jan. 15	Fred. Nickerson	6	Sept. 12	T. C. Durant	
Jan. 15	do	1			
Jan. 7	Sidney Dillon	40			
Jan. 11	J. B. Alley	14			

BOSTON, *February* 10, 1873.

[ROLLINS 15.]

Detailed statement of the persons who received the 8,263 land grant bonds, sold under resolution of April 9, 1869.

Date.	To whom delivered.	No.	Date.	To whom delivered.	No.
1869.			1869.		
April 16	Thomas M. Stetson	7	May 4	C. A. Lombard	4
April 20	A. Hobart, jr	5	May 5	Gliddon & Williams	10
April 20	Gliddon & Williams	194	May 5	J. Bardwell	18
April 20	De Haven & Bro	35	May 5	F. W. Andrews	22
April 20	F. Nickerson	15	May 6	S. H. Fessenden	5
April 20	H. J. Gilbert	7	May 6	Oakes Ames	3
April 20	Joseph Nickerson	10	May 6	J. Bardwell	83
April 20	Elisha Atkins	7	May 7	F. Skinner & Co	15
April 20	Thomas Nickerson	7	May 7	Oliver Ames	33
April 20	N. Peck	1	May 7	Gliddon & Williams	75
April 21	Isaac Thatcher	19	May 7	Thomas Nickerson	4
April 21	W. B. Stevens	2	May 7	Oakes Ames	150
April 21	G. Bradford	21	May 7	Elisha Atkins	50
April 22	W. B. Stevens	10	May 8	Oliver Ames	32
April 23	F. Nickerson	36	May 8	Joseph Nickerson	7
April 23	Oakes Ames	2	May 8	C. C. Waite	10
April 23	Gliddon & Williams	6	May 8	A. A. Low	19
April 23	James Brooks	94	May 8	E. W. Gilman	10
April 24	Oakes Ames	458	May 10	C. A. Lombard	10
April 24	Oliver Ames	310	May 10	Nathan Peck	7
April 24	Benjamin E. Bates	200	May 10	R. G. Hazard	19
April 24	C. A. Lombard	7	May 11	Joseph Richardson	5
April 24	Thomas Nickerson	10	May 11	E. W. Gilmore	16
April 24	J. B. Johnston	8	May 12	F. Skinner & Co	25
April 24	F. Nickerson	26	May 12	C. C. Waite	10
April 24	J. Nickerson	38	May 12	Eli Beard	30
April 24	C. A. Lombard	126	May 13	Oakes Ames	340
April 24	H. J. Gilbert	7	May 14	Oliver Ames	2
April 26	Joseph Nickerson	22	May 14	John Duff	100
April 26	E. H. Baker	35	May 15	O. S. Chapman	16
April 26	Gliddon & Williams	20	May 17	Joseph Richardson	13
April 27	Elisha Atkins	113	May 20	R. G. Hazard	55
April 27	J. Bardwell	20	May 22	Oliver Ames	54
April 27	Oakes Ames	43	May 24	B. E. Bates	12
April 27	J. J. Cisco & Son	140	May 24	Oliver Ames	20
April 27	P. P. Shaw	100	May 25	C. A. Lombard	8
April 28	C. S. Bushnell	83	May 26	R. G. Hazard	25
April 28	E. Baker	52	May 27	R. G. Hazard	30
April 28	C. H. McCormick	167	May 27	R. G. Hazard	101
April 28	Oakes Ames	25	May 27	W. Knight	62
April 28	F. Skinner	30	May 27	A. Iselin & Co	146
April 29	Gliddon & Williams	13	May 28	George Opdyke & Co	170
April 29	E. H. Baker	10	May 28	De Haven & Bro	25
April 29	Thomas Nickerson	8	May 28	P. P. Shaw	135
April 30	H. Trowbridge	8	May 28	De Haven & Bro	84
April 30	J. B. Johnston	34	May 28	Oliver Ames	30
April 30	J. Bardwell	45	May 29	H. J. Gilbert	2
April 30	Gliddon & Williams	30	May 29	Oakes Ames	4
April 30	Thomas Nickerson	4	May 30	J. B. Alley	10
April 30	Joseph Nickerson	18	May 30	C. S. Bushnell	83
May 1	Nathan Peck	1	May 30	J. J. Cisco	87
May 1	E. H. Trowbridge	10	May 30	George Opdyke	336
May 1	J. Bardwell	30	May 30	George Bliss	31
May 1	S. H. Fessenden	5	May 31	Elisha Atkins	6
May 1	Oliver Ames	4	June 1	R. G. Hazard	60
May 1	Oakes Ames	175	June 2	R. G. Hazard	115
May 3	F. Skinner	7	June 4	De Haven & Bro	55
May 3	Gliddon & Williams	5	June 4	J. B. Alley	100
May 3	Joseph Nickerson	16	June 4	M. Zebrowski	16

Detailed statement of the persons, &c.—Continued.

Date.	To whom delivered.	No.	Date.	To whom delivered.	No.
1869.			1869.		
June 5	G. M. Dodge	39	Aug. 20	James Brooks	1
June 8	Oliver Ames	5	Aug. 20	J. J. Cisco	5
June 9	Oliver Ames	8	Aug. 20	C. S. Bushnell	50
June 10	F. W. Patterson	6	Aug. 31	R. G. Hazard	75
June 11	Sidney Dillon	167	Aug. 31	C. S. Bushnell	50
June 12	Gliddon & Williams	15	Aug. 31	J. B. Johnston	5
June 12	Samuel Hooper & Co	66	Aug. 31	Williams & Guion	3
June 15	O. Ames, trustee	6	Aug. 31	W. B. Bristol	1
June 15	R. G. Hazard	200	Aug. 31	William White	5
June 15	Gliddon & Williams	3	Aug. 31	J. B. Pigot	3
June 15	H. C. Crane	6	Aug. 31	Le Grand Lockwood	8
June 15	C. S. Bushnell	83	Aug. 31	H. Hotchkiss	3
June 15	De Haven & Bro	40	Aug. 31	H. Trowbridge	1
June 15	P. P. Shaw	67	Aug. 31	W. H. Macy	5
June 15	R. G. Hazard	103	Aug. 31	G. P. Smith	13
June 22	R. G. Hazard	500	Aug. 31	Gliddon & Williams	14
June 23	Joseph Nickerson	15	Aug. 31	C. A. Lombard	9
June 24	R. G. Hazard	190	Aug. 31	Thomas W. Stetson	9
June 24	Joseph Nickerson	28	Aug. 31	F. Nickerson	12
June 25	Elisha Atkins	10	Sept. 14	J. B. Alley	9
June 28	O. S. Chapman	4	Sept. 25	Sidney Dillon	75
July 2	R. G. Hazard	200	Sept. 28	C. A. Lombard	4
July 6	F. Skinner & Co	15	Dec. 7	C. S. Bushnell	70
July 12	C. H. McCormick	61	1870.		
July 21	E. H. Baker	14	Mar. 7	C. S. Bushnell	31
July 23	Oliver Ames	6			
Aug. 20	Sidney Dillon	15			8,[illegible]

BOSTON, *February* 11, 1873.

[ROLLINS 16.]

BOSTON, *June* 12, 1872.

At a directors' meeting of the Union Pacific Railroad Company, held in Boston June 12, 1872, Mr. Oliver Ames, chairman of the special committee, read the following report on C. S. Bushnell's account, viz:

The committee to whom was referred the unsettled accounts between the Union Pacific Railroad Company and C. S. Bushnell, beg leave to report that the balance against him is apparently $149,189.91; from this, however, should be deducted about $76,000, which we think was expended for the interest of the road in sustaining the value of the first-mortgage bonds at a period of depression when persecuted by Fisk and Judge Barnard in the courts in New York City.

Mr. Bushnell has sundry other claims amounting to about $42,000 for bills alleged to have been paid by him, which the committee are disposed to think equitable, and recommend they be allowed on the production of vouchers for the same which shall be satisfactory to Mr. Oliver Ames and Mr. John Duff.

These allowances, amounting to $118,000, being deducted, a balance of about $30,000 remains, which we consider to be due the company.

A charge of $100,000 against Mr. Bushnell which stands on our books in connection with some transaction in bonds with Prosper P. Shaw, of New York, at a time of much excitement, when it is not surprising that irregularities of book-keeping might have taken place, is not conclusive

your committee, and has not been treated as proved against Mr. ushnell.

It is very evident that this sum is due the company from somebody; parently it is from Mr. Shaw, and we recommend that a suit be en-ed for its recovery, with the understanding that this settlement with r. Bushnell shall not act as a bar to future claims on him, should de-lopments in proceedings against Shaw, or any other party, so warrant.

e only other matter to which the committee would refer, is Mr. Bush-ll's claim of $37,000 to balance his account for his services. This is olly disallowed; not for reason of any doubt in our minds of the st value of Mr. Bushnell's service, which we gladly put on record, t simply that, as no director has been allowed anything for services dered the company, we think it a bad precedent, and are unwilling, en in this case, to depart from the custom.

OLIVER AMES.
F. GORDON DEXTER.
DAVID S. RUDDOCK.
JOHN DUFF.
ELISHA ATKINS.
OAKES AMES.

BOSTON, *April* 25, 1872.

[ROLLINS 17 *a*.]

United States 6 per cent. 30-year bonds.

ABSTRACT LEDGER A.

	To cash	$55,700 40	1866. Feb.	6	By United States 6 per cent. 30-year bonds.	$640,000 00
	To War Department	19,629 81	May	9	....do	400,000 00
	....do	44,820 72	June	30	....do	640,000 00
	To balance	25,998,000 00	July	17	....do	320,000 00
			Aug.	13	....do	560,000 00
			Sept.	18	....do	720,000 00
			Oct.	16	....do	560,000 00
			Nov.	9	....do	480,000 00
			1867.			
			Jan.	19	....do	560,000 00
			June	18	....do	640,000 00
			July	22	....do	640,000 00
			Aug.	19	By cash	9,814 91
				31	By United States 6 per cent. 30-year bonds.	560,000 00
			Sept.	16	By cash	22,445 36
				23	United States interest acc't	87,950 66
			Oct.	3	By United States 6 per ct. 30-year bonds on hand	560,000 00
			Nov.	5	....do	560,000 00
			Dec.	19	....do	320,000 00
			1868.			
			Jan.	28	....do	957,000 00
			May	16	....do	960,000 00
				18	....do	960,000 00
			June	12	....do	960,000 00
				18	....do	960,000 00
			July	31	....do	2,821,000 00
			Aug.	31	....do	640,000 00
				31	....do	640,000 00
			Sept.	30	....do	1,920,000 00
			Oct.	31	....do	640,000 00
			Nov.	30	....do	640,000 00
			Dec.	8	....do	1,280,000 00
				31	....do	640,000 00
				31	....do	640,000 00
				31	....do	640,000 00
				31	....do	640,000 00
			1869.			
			Jan.	31	....do	640,000 00
			Feb.	27	....do	1,280,000 00
		26,118,220 93				26,118,220 93

United States 6 per cent. 30-year bonds—Continued.

ABSTRACT LEDGER B.

			1869.		
	To balance to credit of United States on Ledger C, present ledger.	$27,236,512 00	Mar. 19	By balance from Ledger A.	$25,000,000 00
			July 31	By United States 6 per cent. currency bonds on hand.	642,000 00
			Nov. 9	....do	114,000 00
			1870.		
			Jan. 10	By 6 per cent. currency bonds, received this day, dated July 16, 1869, account fifty-second sec.	142,000 00
			July 16	By bonds....do	320,000 00
			18	....do	1,512 00
		27,236,512 00			27,236,512 00

ABSTRACT LEDGER C.

				By balance	27,236,512 00

United States 6 per cent 30-year bonds on hand.

ABSTRACT LEDGER A.

1866.			1866.		
Feb. 6	To United States	$640,000 00	Feb. 17	By United States 6 per cent certificates.	$50,000 00
May 10	....do	400,000 00			
June 30	....do	640,000 00	19	By cash	533,631 25
July 16	....do	320,000 00	19	By interest	46,373 75
Aug. 13	....do	560,000 00	May 10	By cash	360,000 00
Sept. 18	....do	720,000 00	10	By Sidney Dillon	15,000 00
Oct. 16	....do	560,000 00	10	By suspense	25,000 00
Nov. 9	....do	480,000 00	10	By cash	9,000 00
			10	By interest	15,300 00
1867.			June 30	By cash	614,400 00
Jan. 9	....do	560,000 00	30	....do	25,600 00
30	To Sidney Dillon, (25 bonds.)	25,000 00	July 17	....do	313,600 00
			17	By interest	7,200 00
June 18	To United States	640,000 00	Aug. 13	By cash	540,800 00
July 22	....do	640,000 00	13	By interest	11,200 00
Aug. 31	....do	560,000 00	Sept. 18	By cash	720,000 00
Oct. 3	....do	560,000 00	Oct. 16	....do	560,000 00
Nov. 5	....do	560,000 00	Nov. 9	....do	480,000 00
Dec. 19	....do	320,000 00			
			1867.		
1868.			Jan. 10	....do	485,000 00
Jan. 28	....do	957,000 00	March 4	....do	65,000 00
May 16	....do	960,000 00	June 27	....do	108,000 00
18	....do	960,000 00	July 1	....do	540,000 00
June 12	....do	960,000 00	13	....do	300,000 00
18	....do	960,000 00	16	....do	50,000 00
July 31	To John J. Cisco and son	960,000 00	Aug. 31	....do	560,000 00
31	To United States 6 per cent 30-year bonds.	801,000 00	Oct. 4	....do	250,000 00
			5	....do	310,000 00
Aug. 31	....do	640,000 00	Nov. 15	....do	560,000 00
31	....do	640,000 00	Dec. 30	....do	50,000 00
Sept. 30	....do	1,920,000 00			
			1868.		
1868.			Jan. 17	....do	270,000 00
Oct. 31	....do	640,000 00	31	....do	907,000 00
Nov. 30	....do	640,000 00	Feb. 3	....do	50,000 00
Dec. 31	....do	640,000 00	May 23	....do	500,000 00
31	....do	640,000 00	26	....do	100,000 00
31	....do	640,000 00	27	....do	100,000 00
31	....do	640,000 00	28	....do	100,000 00
			30	....do	100,000 00
			June 16	....do	60,000 00
			16	....do	140,000 00
			17	....do	400,000 00
			20	....do	400,000 00
			22	....do	1,920,000 00
			July 24	....do	960,000 00
			Sept. 30	By John J. Cisco and son.	3,441,000 00
			Oct. 2	By cash	100,000 00
			3	....do	750,000 00

United States 6 per cent. 30-year bonds on hand—Continued.

ABSTRACT LEDGER A—Continued.

			1868.			
			Oct.	5	By cash	$250,000 00
				6	.....	50,000 00
				26	.....	40,000 00
			Nov.	3	.....	50,000 00
				13	.....	100,000 00
				20	.....	50,000 00
				21	.....	15,000 00
				23	.....	175,000 00
				24	.....	265,000 00
				25	.....	50,000 00
				30	.....	100,000 00
186			Dec.	2	.....	25,000 00
Jan. 31	To United States 6 per cent. 30-year bonds.	$640,000 00		3	By cash	60,000 00
				5	.....	175,000 00
Feb. 27	.....do	1,280,000 00		15	.....do	29,000 00
				17	.....do	265,000 00
				18	.....do	90,000 00
				19	.....do	2,000 00
				21	.....do	52,000 00
				23	.....do	5,000 00
				24	.....do	24,000 00
				26	.....do	415,000 00
				28	.....do	190,000 00
				29	.....do	71,000 00
				30	.....do	200,000 00
				31	By John Pender	4,000 00
			1869.			
			Jan.	2	By cash	138,000 00
				4	.....do	310,000 00
				5	.....do	267,000 00
				7	.....do	58,000 00
				7	.....do	50,000 00
				14	.....do	5,000 00
				18	.....do	1,000 00
				28	.....do	5,000 00
			Feb.	1	.....do	640,000 00
				18	.....do	1,090,000 00
				19	.....do	90,000 00
				20	.....do	100,000 00
				24	.....do	220,000 00
				25	.....do	97,000 00
				26	.....do	80,000 00
				26	.....do	405,000 00
				26	.....do	150,000 00
				27	.....do	30,000 00
			March	3	.....do	100,000 00
				4	.....do	512,000 00
				9	.....do	220,000 00
				10	.....do	130,000 00
					Balance to Ledger B	205,000 00
		$25,703,000 00				$25,703,000 00

United States 6 per cent. 30-year currency bonds on hand.—Abstract Ledger B.

1869.				1869.		
Mar. 19	To balance from Ledger A	$205,000 00		Apr. 27	By H. C. Crane, assistant treasurer	$55,000 00
July 31	To United States	640,000 00		July 31	By W. T. Glidden, chairman	70,000 00
Nov. 9	To United States	114,000 00		31	By W. T. Glidden, chairman	10,000 00
1870.				31	By P. P. Shaw	560,000 00
Jan. 6	Paid J. Cooke & Co. for certificates for $43,000 bonds	43,000 00		1870.		
8	To bonds received of the United States, dated July 16, 1869, on account 50d section.	163,000 00		Jan. 8	By bonds received this day and paid States and paid to P. P. Shaw.	163,000 00
11	For amount received of Central Pacific Railroad Company	1,386,000 00		11	By bonds delivered to following parties for account P. P. Shaw, United States Trust Company:	200,000 00
July 16	To bonds received of the United States, dated January 1, 1869, on account 50d section.	320,000 00		11	By Jay Cooke & Co	130,000 00
18	To bonds received of the United States, dated January 1, 1868, balance of issue.	1,512 00		11	By C. J. Holmes	150,000 00
Sept. 2	To losses on securities	166 32		11	By Foote & Walker	50,000 00
				11	By amount sold in New York by J. B. Alley	168,000 00
				11	By amount sold by Von Hoffman	640,000 00
				26	By bonds delivered Jay Cooke & Co. on account P. P. Shaw	157,000 00
				Feb. 28	By John Ponder	5,000 00
				July 19	By bonds delivered J. Cooke & Co. on account P. P. Shaw	320,000 00
				Sept. 2	By sale of $1,512—at $1.11	1,678 32
					Balance	145,000 00
		2,894,678 32				2,894,678 32
1870.				1871.		
Sept. 2	Balance, being charged March 19, 1869, $205,000; *less* credit, April 27, $55,000, and credit $5,000 February 28—$60,000.	$145,000 00		Sept. 12	By T. C. Durant	$35,000 00
					By suspense account	110,000 00
		145,000 00				145,000 00

[ROLLINS 17 b.]

First-mortgage bonds.—Abstract Ledger A.

		1867.		
		Mar. 1	By cash	$278,000
		23	do	35,000
		26	do	25,000
		28	do	73,000
		28	do	136,000
		April 1	do	25,000
		4	do	8,000
		25	do	8,000
		27	do	8,000
		May 1	do	1,000
		3	do	6,000
		4	do	1,000
		7	do	1,000
		10	do	10,000
		11	do	40,000
		13	do	10,000
		15	do	1,000
		16	do	1,000
		17	do	6,000
		22	do	1,000
		23	do	8,000
		23	do	2,000
		25	do	1,000
		27	do	2,000
		29	do	19,000
		30	do	33,000
		31	do	18,000
		June 1	do	11,000
		3	do	14,000
		4	do	13,000
		5	do	12,000
		6	do	16,000
		7	do	8,000
		8	do	15,000
		9	do	4,000
		11	do	10,000
		12	do	12,000
		13	do	29,000
		14	do	3,000
		15	do	26,000
		17	do	14,000
		17	do	5,000
		18	do	5,000
		19	do	6,000
		20	do	12,000
		21	do	30,000
		22	do	13,000
		24	do	14,000
		24	do	1,000
		25	do	39,000
		26	do	29,000
		27	do	71,000
		28	do	55,000
		29	do	49,000
		July 1	do	62,000
		2	do	29,000
		3	do	134,000
		5	do	18,000
		6	do	25,000
		8	do	15,000
		9	do	44,000
		10	do	15,000
		11	do	53,000
		12	do	10,000
		13	do	27,000
		15	do	23,000
		16	do	188,000
		17	do	63,000
		18	do	29,000
		19	do	21,000
		20	do	29,000
		22	do	31,000
		23	do	31,000
		24	do	19,000
		25	do	22,000
		26	do	23,000
		27	do	25,000
		29	do	23,000
		30	do	26,000
		31	do	22,000
		Aug. 1	do	26,000

First-mortgage bonds.—Abstract Ledger A—Continued.

				1867.		
				Aug. 2	By cash	
				3	....do	
				5	....do	
				6	....do	
				7	....do	
				7	By construction	
				8	By cash	
				9	....do	
				10	....do	
				12	....do	
				Aug. 13	....do	
				14	....do	
				15	....do	
				16	....do	
				17	....do	
				19	....do	
				20	....do	
				21	....do	
				22	....do	
				23	....do	
				24	....do	
				26	....do	
				27	....do	
				28	....do	
				29	....do	
				30	....do	
				31	....do	
				Sept. 2	....do	
				3	....do	
				4	....do	
				5	....do	
				6	....do	
				7	....do	
				9	....do	
				10	....do	
				11	....do	
				12	....do	
				13	....do	
				14	....do	
				16	....do	
				17	....do	
				18	....do	
				19	....do	
				20	....do	
				21	....do	
				23	....do	
				24	....do	
				25	....do	
				26	....do	
				27	....do	
				28	....do	
				30	....do	
				Oct. 1	....do	
				2	....do	
				3	....do	
				4	....do	
				5	....do	
				7	....do	
				8	....do	
				9	By sundries	
				9	By cash	
				10	....do	
				11	....do	
				12	....do	
				14	....do	
				15	....do	
				16	....do	
				17	....do	
				18	....do	
				19	....do	
				21	....do	
				22	....do	
				23	....do	
				24	....do	
				25	....do	
				26	....do	
				28	....do	
				30	....do	
				31	....do	
				Nov. 1	....do	
				4	....do	
				5	....do	
				6	....do	

First-mortgage bonds.—Abstract Ledger A—Continued.

			1867.		
			Nov. 7	By cash	$23,000
			8	....do	63,000
			8	....do	22,000
			9	....do	22,000
			11	....do	37,000
			12	....do	16,000
			13	....do	79,000
			14	....do	26,000
			15	....do	13,000
			16	....do	25,000
			18	....do	31,000
			19	....do	26,000
			20	....do	50,000
			21	....do	34,000
			22	....do	36,000
			23	....do	24,000
			25	....do	37,000
			26	....do	14,000
			27	....do	14,000
			29	....do	53,000
			30	....do	74,000
			Dec. 2	....do	40,000
			3	....do	36,000
			4	....do	54,000
			5	....do	67,000
			6	....do	58,000
			7	....do	108,000
			9	....do	57,000
			10	....do	41,000
			11	....do	41,000
			12	....do	19,000
			13	....do	30,000
			14	....do	56,000
			16	....do	216,000
			17	....do	104,000
			18	....do	93,000
			19	....do	59,000
			20	....do	98,000
			21	....do	83,000
			23	....do	161,000
			24	....do	105,000
			26	....do	158,000
			27	....do	126,000
			28	....do	155,000
			30	....do	173,000
			31	....do	313,000
			1868.		
	To certificates for 1st-mortgage bonds.	$3,777,000	Jan. 1st & 31st incl.	....do	5,671,000
	To cash	150,000	Jan. 1st & 31st incl.	By S. Dillon	50,000
	....do	50,000			
	....do	121,000	Feb. 31	By cash	3,240,000
	....do	50,000	Mar. 31	....do	46,000
	....do	50,000	Apr. 30	....do	86,000
			May 30	By certificates for 1st-mortgage bonds.	301,000
			30	By cash	842,000
			June 30	....do	1,476,000
			July 30	By certificates for 1st-mortgage bonds.	462,000
			Aug. 31	By cash	185,000
			Sept. 30	....do	88,000
			Oct. 31	....do	44,000
			31	By certificates for bonds	1,907,000
			Nov. 30	By cash	7,000
			Dec. 31	....do	64,000
			31	By certificates for 1st-mortgage bonds.	240,000
			Jan. 31	By cash	86,000
			Feb. 28	....do	345,000
	To balance to Ledger B	19,002,000	Mar. 19	....do	93,000
	Total	23,200,000		Total	23,200,000

First-mortgage bonds—Abstract Ledger B.

Dr.			Cr.		
1869.			1869.		
June 30	To W. T. Glidden, chairman	$80,000 00	Mar. 19	By balance from Ledger A	$19,002,000 00
Sept. 14	To T. W. Andrews	8,000 00	April 1	By H. C. Crane, assistant treasurer	12,000 00
Oct. 23	To contractors	100,000 00	3	....do	51,000 00
23	....do	12,000 20	6	....do	50,000 00
31	....do	14,000 00	23	....do	94,000 00
Dec. 24	To certified Central Pacific Railroad bonds	75,000 00	27	....do	100,000 00
24	....do	54,000 00	27	....do	180,000 00
24	....do	50,000 00	30	....do	1,809,000 00
27	....do	9,000 00	16	By W. T. Glidden, chairman	7,000 00
27	....do	10,000 00	20	....do	280,000 00
29	....do	44,000 00	21	....do	51,000 00
31	To first-mortgage bonds	10,000 00	22	....do	10,000 00
			23	....do	44,000 00
1870.			24	....do	1,064,000 00
Jan. 6	To 75 bonds of John Duff	75,000 00	26	....do	77,000 00
6	To discount on $10,000, bought by Page, R. & Co., this day, at 19 per cent	1,900 00	27	....do	206,000 00
6	To ....on $25,000, at 19¼ per cent	4,781 25	28	....do	372,000 00
6	To $10,000, bought by Page, R. & Co., at 81 per cent	8,100 00	29	....do	66,000 00
6	To $25,000, bought by Page, R. & Co., at 80¾	20,218 75	30	....do	93,000 00
7	To $61,000, bought of S. Dillon, at 85 per cent	51,850 00	May 14	By H. C. Crane, assistant treasurer	33,000 00
7	To $42,000, bought of Page, R. & Co., 80¾	33,915 00	16	....do	120,000 00
7	To $11,000, bought of Page, R. & Co., 80¾	8,896 25	28	....do	210,000 00
10	To $257,000, bought of Oliver Ames, 85	218,450 00	29	....do	166,000 00
12	To $34,000, bought of C. H. McCormick, 85	28,900 00	30	....do	550,000 00
12	To $57,000, bought of Oakes Ames, 85	48,450 00	May 1	By W. T. Glidden, chairman	280,000 00
14	To $13,000, bought of R. G. Hazard, 85	11,050 00	3	....do	28,000 00
15	To $12,000, bought of F. Nickerson, 85	10,200 00	4	....do	55,000 00
17	To $5,000, bought of J. B. Johnston, 85	4,250 00	5	....do	125,000 00
19	To $8,000, bought of F. W. Andrews, 81¼, Jan. 4	6,500 00	6	....do	23,000 00
19	To $1,000, bought of B. F. Ham, 85	850 00	7	....do	272,000 00
26	To $6,000, bought of B. F. Ham, 85	5,100 00	8	....do	113,000 00
26	To $5,000, bought of W. H. Macy, 85	4,250 00	10	....do	74,000 00
27	To $4,000, bought of J. N. Smith, 85	3,400 00	11	....do	22,000 00
31	To $3,000, charged contractors as delivered E. W. Gilmore, (not taken)	3,000 00	12	....do	13,000 00
31	To 8, delivered F. W. Andrews, and returned Dec. 24	8,000 00	13	....do	340,000 00
Feb. 10	To exchange with Thomas Stetson	2,000 00	14	....do	102,000 00
10	To $50,000, bought of J. Nickerson, 85 per cent	42,500 00	15	....do	16,000 00
17	To $24,000, bought of E. W. Gilmore, 85 per cent	20,400 00	17	....do	36,000 00
18	To $75,000, bought of John Duff, 81¼	60,937 50	24	....do	32,000 00
24	To exchange with O. S. Chapman	18,000 00	25	....do	5,000 00
25	To $10,000, of E. Atkins, at 85 per cent	8,500 00	28	....do	49,000 00
28	To $3,000, of Page, Richardson & Co.	3,000 00	29	....do	16,000 00
28	To first-mortgage bonds	82,000 00	31	....do	6,000 00
	For discount of bonds bought		June 4	....do	14,000 00
			6	By W. J. Glidden, chairman	75,000 00

[illegible]		[illegible]	[illegible]			do	[illegible]
[illegible]		[illegible]	[illegible]			do	[illegible]
[illegible]		[illegible]	[illegible]			do	[illegible]
[illegible]		Jan. 18, Oakes Ames, $27,000, at 15 per cent	[illegible]			do	[illegible]
[illegible]		Jan. —, E. G. Hazard, $13,000, at 15 per cent	1,950 00		28	do	195,000 00
[illegible]		Jan. 15, F. Nickerson, $12,000, at 15 per cent	1,800 00		30	do	111,000 00
[illegible]		Jan. 17, J. B. Johnston, $5,000, at 15 cent	750 00		30	do	83,000 00
[illegible]		Jan. 19, B. F. Ham, $1,000, at 15 per cent	150 00		30	do	83,000 00
[illegible]		Jan. 26, B. F. Ham, $6,000, at 15 per cent	900 00		30	do	48,000 00
[illegible]		Jan. 26, W. H. Macy, $5,000, at 15 per cent	750 00	July	2	do	18,000 00
[illegible]		Jan. 27, J. N. Smith, $4,000, at 15 per cent	600 00		12	do	14,000 00
[illegible]		Feb. 10, J. Nickerson, $50,000, at 15 per cent	7,500 00		21	do	6,000 00
[illegible]		Feb. —, E. W. Gilmore, $24,000, at 15 per cent	3,600 00		23	do	8,000 00
[illegible]		Feb. 18, John Duff, $75,000, at 18¾ per cent	14,062 50	Aug.	2	do	69,000 00
[illegible]		Feb. 25, E. Atkins, $10,000, at 15 per cent	1,500 00		20	By contractors	340,000 00
Sept.	30	To bought of R. G. Hazard	5,000 00		31	By sundries	9,000 00
1871.				Sept.	14	do	96,000 00
Jan.	30	To bought of C. S. Bushnell	5,000 00		14	do	3,000 00
Feb.	23	To bought of J. T. Coolidge, jr	5,000 00		25	do	49,000 00
April	10	To new account	26,870,000 00		28	By sundries	4,000 00
				Dec.	31	By first-mortgage bonds	10,000 00
				1870.			
				Jan.	7	By reverse entry of Dec. 24	54,000 00
					17	By $6,000, first-mortgage bonds, sold C. S. Bushnell, July 1, 1869, at 85 per cent	5,100 00
				Feb.	10	By exchange with Thomas Stetson	2,000 00
					18	By reverse of entry, Jan. 6	75,000 00
					24	By exchange with O. S. Chapman	18,000 00
					28	By exchange with Samuel Hooper	52,000 00
					28	By discount on bonds sold July 1, 1869, to C. S. Bushnell, $6,000, at 15 per cent	900 00
					28	By $28,000 surrendered Oliver Ames	28,000 00
				June	30	By bond surrendered A. Aub and S. Wolf, for bills payable	240,000 00
			28,222,000 00				28,222,000 00
1872.				1871.			
June	29	To balance to Ledger C	27,237,000 00	April	10	By old account, being for 26,870 bonds outstanding against the company to this date	26,870,000 00
				May	25	By John Pondir	1,000 00
				Sept.	12	By French exchange	95,000 00
					12	By B. F. Ham	24,000 00
					12	By suspense account	247,000 00
			27,237,000 00				27,237,000 00

DR. *First-mortgage bonds—Abstract Ledger C.* CR.

1872. Oct. 4	To Sidney Dillon	$24,000 00	1872. June 29	By balance from Ledger B	$27,237,000 00
				Balance to credit of bond account Jan. 31, 1873	27,213,000 00

[ROLLINS 17c.]

Land-grant bonds.—Abstract Ledger B.

1869. July 31	To R. G. Hazard	$210,000 00	1869. April 23	By H. C. Crane, assistant treasurer	$94,000 00
Sept. 14	To F. W. Andrews	8,000 00	" 27	....do	100,000 00
" 28	To land-department	263,000 00	" 27	....do	140,000 00
Oct. 23	To contractors	100,000 00	" 16	By W. T. Glidden, chairman	7,000 00
" 23	.....do	12,000 00	" 21	.....do	280,000 00
" 31	.....do	14,000 00	" 21	.....do	51,000 00
Nov. 19	To land-department	58,000 00	" 22	.....do	10,000 00
Dec. 15	.....do	24,000 00	" 23	.....do	44,000 00
" 31	To O. F. Davis, land-agent	39,000 00	" 24	.....do	1,198,000 00
			" 26	.....do	77,000 00
1870. Jan. 31	To 3 bonds delivered E. W. Gilmore and charged contractors—not taken	3,000 00	" 27	.....do	176,000 00
			" 28	.....do	357,000 00
			" 29	.....do	31,000 00
" 31	To 8 bonds delivered F. W. Andrews and charged contractors, returned December 24	8,000 00	" 30	.....do	139,000 00
			May 27	By H. C. Crane, assistant treasurer	309,000 00
Feb. 28	To bonds taken in payment for land in January by O. F. Davis, agent	23,000 00	" 28	.....do	330,000 00
			" 30	.....do	10,000 00
" 28	To bonds taken in payment for land in February by O. F. Davis, agent	8,000 00	" 31	.....do	537,000 00
			June 1	By W. T. Glidden, chairman	295,000 00
March 31	To bonds taken in payment for land in March by O. F. Davis, agent	40,000 00	" 3	.....do	28,000 00
			" 4	.....do	4,000 00
April 30	To bonds taken in payment for lands in April by O. F. Davis, agent	20,000 00	" 5	.....do	50,000 00
			" 6	.....do	91,000 00
May 31	To bonds taken in payment for land in May by O. F. Davis, agent	23,000 00	" 7	.....do	327,000 00
			" 8	.....do	78,000 00
June 30	To bonds taken in payment for land in June by O. F. Davis, agent	23,000 00	" 10	.....do	36,000 00
			" 11	.....do	21,000 00
July 30	To bonds taken in payment for land in July by O. F. Davis, agent	40,000 00	" 12	.....do	65,000 00
			" 13	.....do	340,000 00
Aug. 31	To bonds taken in payment for land in August by O. F. Davis, agent	35,000 00	" 14	.....do	102,000 00
			" 15	.....do	18,000 00
Sept. 30	To bonds taken in payment for land in September by O. F.		" 17	.....do	12,000 00

40 C K

Nov.	30	To bonds issued in payment for land in November, by C. S. B.	50,000 00			do	50,000 00
Dec.	7	To bonds issued, as per contract	223,000 00			do	223,000 00
	31	To received for land in December	18,200 00			do	114,000 00
					29	do	6,000 00
1871.					31	do	6,000 00
Jan.	31	To received for land in January	13,000 00	June	1	do	115,000 00
Feb.	4	To bonds bought by trustees	50,000 00		2	do	60,000 00
	28	To received for land in February	7,000 00		4	do	171,000 00
March	31	To bought by trustees	50,000 00		5	do	39,000 00
	31	To received for land in March	27,000 00		8	do	5,000 00
April	8	To land-grant bonds	17,000 00		9	do	8,000 00
	10	To balance forward	8,864,000 00		10	do	6,000 00
					11	do	167,000 00
					12	do	81,000 00
					15	do	209,000 00
					15	do	299,000 00
					22	do	500,000 00
					23	do	15,000 00
					24	do	426,000 00
					25	do	10,000 00
					28	do	4,000 00
				July	2	do	200,000 00
					6	do	15,000 00
					12	do	61,000 00
					21	do	14,000 00
					23	do	6,000 00
				Aug.	2	do	8,000 00
					20	By contractors	69,000 00
					31	By sundries	340,000 00
				Sept.	14	do	9,000 00
					25	do	3,000 00
					25	By S. Dillon	70,000 00
					28	By sundries	4,000 00
				Dec.	7	By cash	38,500 00
				1870.			
				Feb.	28	By discount on 70,000 bonds sold C. S. Bushnell, December 4, 1869, at 45 per cent	31,500 00
				March	7	By C. S. Bushnell, 24,000, 55 per cent	13,200 00
					7	By loss on securities, 24,000, 45 per cent	10,800 00
				1871.			
				Jan.	30	By C. S. Bushnell *et al*	170,000 00
				Feb.	4	do	100,000 00
				March	2	do	14,000 00
					2	do	76,000 00
					2	do	21,000 00
					2	do	80,000 00
					3	do	180,000 00
					4	do	150,000 00

Land-grant bonds—Abstract Ledger B—Continued.

				1870.		
				March 4	By C. S. Bushnell *et al*	$36,000 00
				7	....do	162,000 00
				9	....do	129,000 00
				13	....do	50,000 00
				15	....do	84,000 00
				16	....do	20,000 00
				21	....do	39,000 00
				31	....do	85,000 00
				27	By cash	1,000 00
				April 5	By C. S. Bushnell *et al*	39,000 00
				8	....do	48,000 00
				8	By land-grant bonds	17,000 00
		$10,119,000 00				10,119,000 00
1871.				1871.		
April 20	To land-grant bonds	3,000 00		April 10	By old account, being for 8,864 bonds outstanding against the company this date	8,864,000 00
20	....do	24,000 00		19	By C. S. Bushnell *et al*	58,000 00
20	....do	76,000 00		15	....do	53,000 00
May 8	....do	50,000 00		15	By E. H. Rollins	1,000 00
9	To received for land in April	15,000 00		18	By C. S. Bushnell *et al*	26,000 00
June 7	To land, cash, bonds received for land in May	27,000 00		20	By land-grant bonds	3,000 00
29	To John Duff, trustee	1,000 00		20	....do	24,000 00
30	To received for land in June	27,000 00		20	....do	76,000 00
	To balance forward as follows: Whole issue, $10,400,000; canceled, $953,000	9,447,000 00		20	....do	63,000 00
				24	By C. S. Bushnell *et al*	63,000 00
				25	....do	25,000 00
				28	....do	27,000 00
				May 6	....do	50,000 00
				8	By land-grant bonds	58,000 00
				8	By C. S. Bushnell *et al*	259,000 00
				June 29	....do	
		9,670,000 00				9,670,000 00
1871.				1871.		
July 31	To land, cash	22,000 00		June 30	By balance forward	9,447,000 00
Aug. 17	To bought by trustees	50,000 00				
Sept. 18	To land, cash	50,000 00				
Oct. 16	....do	19,000 00				
Nov. 10	....do	15,000 00				
Dec. 8	....do	17,000 00				
14	To bought by trustees	50,000 00				

June [illegible]	[illegible]	[illegible]			
	To balance to Ledger C	9,127,000 00			
		9,447,000 00			9,447,000 00

DR. *Land-grant bonds.—Ledger C.* CR.

1872.			1872.		
Aug. 12	To land, cash	$53,000 00	June 29	By balance from Ledger B	$9,127,000 00
Sept. 7	....do	26,000 00			
16	To sundries	50,000 00			
Oct. 11	To land, cash	25,000 00			
Nov. 12	....do	25,000 00			
Dec. 11	....do	20,000 00			
1873.					
Jan. 17	....do	15,000 00			
	Balance	8,913,000 00			
		9,127,000 00			9,127,000 00
			1873.		
			Feb. 8	By balance, Ledger C	8,913,000 00

DR. [ROLLINS 17 *d.*] CR.

Income-bonds.—Abstract Ledger B.

1870.			1869.		
Mar. 30	For 30 income bonds, held by T. C. Durant	$18,000.00	Oct. 30	By sundries	$1,700,000 00
			30	By scrip	2,000 00
			30	By certificates for first-mortgage bonds	535,000 00
1871.			Dec. 28	....do	834,000 00
Feb. 10	For reverse of entry of October 5	100,000 00	28	....do	46,000 00
28	For loss on securities	12,000 00	30	By scrip	1,000 00
Apr. 10	For balance to new account	9,268,000 00	31	....do	2,000 00
			31	By certificates for first-mortgage bonds	84,000 00
			1870.		
			Jan. 12	By scrip	1,000 00
			15	....do	1,000 00

Income bonds—Abstract Ledger B—Continued.

Dr.			Cr.		
			1870.		
			Jan. 31	By income-bonds delivered to contractors to date, $3,901,000; less amount charged October 30, $1,700,000	$2,201,000 00
			31	By income-bonds delivered for certificates for first-mortgage bonds during month of January	225,000 00
			Feb. 28	By income-bonds delivered to contractors to date, $5,840,000; less previously charged, $3,901,000	1,163,400 00
			28	By 60 per cent. on $1,939,000; 40 per cent. on $1,939,000	775,600 00
			28	By bonds delivered for scrip in month of February	3,000 00
			28	By bonds delivered in exchange for certificates for first-mortgage bonds surrendered	589,000 00
			Mar. 31	By certificates for first-mortgage bonds surrendered	79,000 00
			31	By scrip surrendered	1,000 00
			Apr. 30	....do	2,000 00
			30	By certificates for first-mortgage bonds surrendered	21,000 00
			June 30	By Davis contract	1,000 00
			July 12	By certificates for first-mortgage bonds	1,000 00
			Sept. 12	....do	30,000 00
			Oct. 5	By Davis contract	100,000 00
			1871.		
			Jan. 30	By C. S. Bushnell *et al*	1,000,000 00
		$9,398,000 00			9,398,000 00
1871.			1871.		
Oct. 10	To C. S. Bushnell, O. B. Bond account	72,000 00	Apr. 10	By balance, being 9,268 bonds outstanding against the company this date	9,268,000 00
1872.			May 12	By Credit Mobilier of America, in trust	100,000 00
June 29	To balance to Ledger C	9,355,000 00	18	By contractors	28,000 00
			26	....do	1,000 00
			Sept. 7	By T. C. Durant	30,000 00
		9,427,000 00			9,427,000 00
			1873.		
			Feb. 1	By balance, Ledger C	9,355,000 00

BOSTON, MASSACHUSETTS, *February* 6, 1873.

H. C. CRANE recalled.

By the CHAIRMAN:

Question. Have you examined the contractor's books with the view of ascertaining what it cost the contractors to build that portion of the road covered by the Hoxie contract, extending from Omaha to the one-hundredth meridian?—Answer. I have not. I have not those data here; the books are in Washington.

Q. Have you examined the contractor's books to ascertain the amount that it cost the contractors to build that portion of the road which is embraced in the Ames contract?—A. I have.

Q. What was the cost of the Ames contract to the contractors as appears by the books?—A. As appears by the books, the Ames and the Davis contracts are together. They are interwoven so much that we had to depend upon the subdivision that was made by the construction engineer to divide the two amounts between the two contracts. The total amount is $43,914,774.61.

Q. In making the apportionment between the two contracts how much do you make the Ames contract cost?—A. Twenty-nine million two hundred and eighty-five thousand one hundred and forty-one dollars and ninety-nine cents.

Q. How much the Davis contract?—A. Fifteen million six hundred and twenty-nine thousand six hundred and thirty-two dollars and sixty-two cents.

Q. Have you made up balance-sheets showing the cost of these two contracts to the contractors?—A. I have the balance-sheets showing that cost.

Q. Will you produce them?—A. Here they are.

(The balance-sheets were presented and marked "Crane, No. 1," and "Crane, No. 2.")

Q. You have given the whole cost to the contractors under the Ames and Davis contracts as $42,914,774.61; that, as I understand you, you derive from these balance-sheets.—A. From the two balance-sheets given; one the Davis, and the other the Ames.

Q. Now explain from these balance-sheets how you make the cost that you have given.—A. Well, I take the items from the balance-sheets that belong to construction and put them together, and they make $42,000,000.

Q. What do you leave out of the balance-sheets?—A. I leave out the cash balance, $5,898.75; I leave out $527,302.99 Credit Mobilier debit; I leave out $1,687,500 profit and loss——

Q. Explain what that profit and loss item means.—A. That is the difference between par of the securities and the price received for them on sale by the contractors. I leave out the first-mortgage-bond account, $118,800.

Q. Why is that left out?—A. Because it is not a part of the construction. Five million nine hundred and twenty-four thousand three hundred dollars have been received; $5,805,500 have been disposed of, leaving a balance of $118,800 debit to that account; that is on the Ames balance-sheet. The next item is stocks, Union Pacific Railroad Company, $39,500. The next is dividend account, $19,298,500; allotment account, $1,125,000. On the Davis balance I except $3,003,000 of stock; $11,778,054 special account; $11,669,800 profit and loss; $12,695.06 Thomas Wardell——

Q. What is that for?—A. That is draft for coal.

Five thousand four hundred and ninety-one dollars and twenty-five cents, chairs and spikes; $30,247.58 for fish-joints and bolts; $29,738.62 for tools and machinery; $15,135 for turn-tables; $1,038,505.25 for railroad-iron.

Q. According to this balance-sheet what amount of dividends and allotments have been made on account of this Ames contract?—A. Twenty million four hundred and thirty-seven thousand five hundred dollars.

Q. This item of $1,687,500 in the Ames balance-sheet for profit and loss, please explain that.—A. It is loss on the sale of 28,125 shares of stock.

Q. What was that stock sold at?—A. On page 131 of the journal of the Ames contractors that item is entered as follows: "Profit and loss on stock-account debtor to stock due Pacific Railroad Company for sale on 28,125 shares Union Pacific Railroad stock, sold under resolution of trustees of July 8, 1868, $1,687,500." They were sold for $1,125,000.

Q. Turn to the resolution referred to of July 8, 1868, and read it.—A. The resolution is as follows: "Mr. Bushnell offered a resolution that the treasurer be authorized to sell 28,125 shares of Union Pacific Railroad stock at not less than 40 per cent., first offering it to the parties interested in the contract *pro rata*."

Q. In what were the dividends made?—A. The dividends were made up as follows:

1867, December, 60 per cent. bonds	$2,250,000
1867, December, 60 per cent. stocks	2,250,000
1868, January 3, 20 per cent. bonds	50,000
1868, June, 40 per cent. stock	1,500,000
1868, June, 60 per cent. cash	2,250,000
1868, July, 75 per cent. bonds	2,812,500
1868, July 8, 30 per cent. cash	1,125,000
1868, December, 200 per cent. stock	7,500,000
Total	20,437,500

Q. On what book is that account given?—A. On the ledger of the contractors, page 240.

Q. Give the allotment that is referred to on this balance-sheet.—A. On folio 266, trustees' ledger, allotment account: "September 3, 1868, to cash allotment, by resolution of the trustees of July 8, 1868, $1,125,000."

Q. Now turn to the resolution of July 8, 1868, referred to in that entry.—A. The resolution on the record of the trustees of July 8, 1868, is: "Mr. Bushnell offered a resolution that we make an allotment of 30 per cent. in cash to the parties interested in trust, payable as fast as the trustees receive the proceeds from the sales of stock of the Union Pacific Company."

Q. Did that resolution pass?—A. Yes, sir.

Q. Were there any other dividends or allotments under the Ames contract, of which you have any knowledge?—A. No, sir.

Q. What dividends, or allotments, were made under the Davis contract?—A. It seems there are none made at all.

Q. In the balance-sheet appertaining to the Davis contract there is an item of profit and loss, $11,669,800; explain it.—A. I find on the ledger

of the Davis contract, page 106, the first entry January 18, 1870: To sundries, $1,210,000. That item is for discount on stock and bonds sold stockholders. The next item of the ledger is the same date: Stock Union Pacific Railroad Company, $7,021,800. That item is for discount on $7,802,000 stock, Union Pacific Railroad Company. February: Stock Union Pacific Railroad Company, $3,436,200. That item is for discount on $3,818,000 stock of the Union Pacific Railroad Company. The next item is January, 1871—$1,800—and is for discount on twenty shares of stock Union Pacific Company.

Q. State whether the books of the trustees show to whom these securities were disposed of, and at what rate; and, if so, where is it to be found?—A. The books show to what parties these securities were sold, and the details will be found on the journal of the Davis contract, folio 105. The entry is: "Profit and loss on $1,375,000 stock of Union Pacific Railroad Company;" and the parties to whom that stock went are named on folio 105.

(A copy marked "Crane, 3," hereto attached.)

Q. Explain what appears on page 105.—A. On the same page is a list of first-mortgage and land-grant bonds of the Union Pacific Railroad Company, and to whom sold, and the stock. The party buying an amount of first-mortgage and land-grant bonds, equal amounts of each, received two and a half times the par value of those two securities in stock of the Union Pacific Railroad Company at par.

Q. What does page 104 show?—A. It shows a charge of the Union Pacific Railroad Company of $550,000, and also shows where the Davis contractors got the money. The next page on the journal, 106, shows that the Union Pacific Railroad Company were paid $3,120,800 in cash, and also shows where the Davis contractors received the money. Folio 111 shows the sale by the Davis contractors to sundry parties of income-bonds and stock, amounting, in the aggregate, to $3,120,800. That entry can be found on journal, pages 111, 112, 113, 114, 115.

Q. What is the whole amount of income-bonds sold?—A. There were $11,611,000 of bonds sold by the company to the trustees at 60 cents.

Q. At what rate were they sold by the trustees?—A. At 80.

Q. How much stock was distributed to the purchasers of these income-bonds at the time they were sold by the trustees?—A. Double the amount of the par of the bonds, $11,622,000. On folio 121 of the Davis journal is a list of parties to whom income-bonds were sold and stocks delivered.

Q. What is the whole amount of bonds sold there?—A. One million nine hundred and nine thousand dollars.

Q. At what rate?—A. At 80, with a bonus of double the amount of stock.

Q. When you use the word "bonus" there do you mean that for every dollar of bonds sold at 80 there were two dollars of stock distributed?—A. Yes, sir.

Q. From the manner in which this has been done, as is shown by these books, what did this stock cost the parties to whom it was distributed in the manner that has been described?—A. It did not cost them anything. They got it in consideration of their taking the bonds at the fixed price. They received the stock in addition thereto.

Q. The trustees were trustees for stockholders under these contracts?—A. Yes, sir.

Q. As this transaction first occurred they paid 60 cents a dollar for the bonds; they then let the stockholders for whom they held it in

trust have it at 80 cents and divided this amount of stock?—A. Yes, sir.

Q. Is there anything on these books that will enable you now to inform the committee as to the cost of the fifty-eight miles west of the one-hundredth meridian that was accepted and constructed under the Boomer contract, or with Gesner as agent?—A. No, sir; there is no division.

Q. Is there anything on the books of the company that will enable you to inform the committee as to the cost of the one hundred and thirty-eight miles of road that had been completed and accepted by the Government at the time the Oakes Ames contract was made?—A. There is not.

Q. I refer to the one hundred and thirty-eight miles west of the one-hundredth meridian.—A. There is not.

Q. Now state what the Oakes Ames contract cost the Union Pacific Railroad Company.—A. That is entirely out of my power.

Q. Can you state what the Davis contract cost the Union Pacific Railroad Company?—A. I can state what the Oakes Ames contract received from the Union Pacific Railroad Company. They received $57,140,102.94, as shown by the books; and the Davis contract received $23,431,768.10 from the Union Pacific Railroad Company.

Q. Have these books been balanced so as to show that the account is closed—that is, do the books indicate that the Oakes Ames contract has been settled with the Union Pacific Railroad Company?—A. No, sir.

Q. Is there anything indicating that there is anything due from the Union Pacific Railroad Company on the Ames contract?—A. Nothing from the books. I do not think they have ever charged up their contract. The whole thing shows that the net profits in stock and bonds at par as divided are, on the Ames contract, $29,854,960.95; on the Davis, $7,802,135.48.

Q. Does it appear from the books that any amount was charged to Ames or to the Ames contract on account of discounts on the securities, first-mortgage bonds and Government bonds?—A. Yes, sir; there is an account here of losses on securities made up by the Ames contractors and the company.

Q. What is the amount?—A. It is found on page 260 of the Ames trustees' ledger. The balance of that account is $516,580.28.

Q. How much, if any, did the securities lack of building the road embraced in the Ames contract?—A. I do not know, sir. I have nothing on my books to tell what the securities netted the company.

Q. Is there anything charged up to the Davis contract on account of the loss on securities?—A. No, sir.

[CRANE No. 1.]

Ames contract—Balance-sheet, January 1, 1871.

18	Railroad-iron	$7,454,893 90
20	Chairs and spikes	363,245 80
32	Fish-joints and bolts	276,848 89
40	N. A. Gessner	125,000 00
66	Transportation, (general account)	2,540,912 93
70	W. C. Lindsay	3,791,061 15
84	Cash	5,898 75
94	Expense account	43,789 02
100	Turn-tables	17,679 73
110	Telegraph account	37,357 39
151	Credit Mobilier of America	527,302 99
174	H. C. Crane, (special account)	21,750 00
184	Cars and axles	1,395,338 72
90	Tools and machinery	184,489 31

Union Pacific Railroad Company		$57,140,102 94
Locomotive account	$1,545,443 23	
Profit and Loss	1,687,500 00	
First-mortgage bonds Union Pacific Railroad	118,800 00	
Stock Union Pacific Railroad Company	39,500 00	
Dividend account	19,298,500 00	
Discount and interest	516,580 28	
Allotment account	1,125,000 00	
Wm. P. Kennedy, cash	15,144,971 03	
Roadway and track	200,233 46	
Bridging	154,300 17	
Shops and fixtures	449,587 87	
Buildings	74,118 32	
	57,140,102 94	57,140,102 94

[CRANE No. 2.]

Balance-sheet—Davis contract, January 1, 1871.

Union Pacific Railroad Company		$23,431,768 10
Cars and axles	$320,982 03	
Locomotives	192,213 73	
Cash		1,856 12
Bonds, Union Pacific Railroad Company	3,003,000 00	
Expense account	16,868 92	
Chairs and spikes		5,491 25
Fish-joints and bolts		30,247 58
Union Pacific Railroad special	11,778 54	
Tools and machinery		29,738 62
Thomas Wardell	12,695 06	
Turn-table		15,135 00
Railroad-iron account		1,038,505 25
W. P. Kennedy, cash	9,225,403 64	
Profit and loss	11,669,800 00	
Income-bonds	100,000 00	
	24,552,741 92	24,552,741 92

[CRANE No. 3.]

Statement of bonds sold by trustees, 1870.

To whom.	First mortgage.	Land grant.	Stock.	Amount received.
Williams & Guion	$3,000	$3,000	$15,000	$6,000
W. B. Bristol	1,000	1,000	5,000	2,000
W. M. White	5,000	5,000	25,000	10,000
Joseph B. Pigot	3,000	3,000	15,000	6,000
Legrand Lockwood	8,000	8,000	40,000	16,000
Henry Hotchkiss	3,000	3,000	15,000	6,000
Henry Trowbridge	1,000	1,000	5,000	2,000
W. H. Macy	5,000	5,000	25,000	10,000
Thomas M. Stetson	2,000	2,000	10,000	4,000
T. Nickerson	12,000	12,000	60,000	24,000
O. P. Smith	18,000	18,000	90,000	36,000
Glidden & Williams	14,000	14,000	70,000	28,000
Rowland G. Hazard	75,000	75,000	375,000	150,000
C. S. Bushnell	92,000	92,000	460,000	184,000
J. B. Johnson	75,000	5,000	25,000	10,000
Sidney Dillon	13,000	13,000	65,000	26,000
James Brooks	1,000	1,000	5,000	2,000
John B. Alley	9,000	9,000	45,000	18,000
John J. Cisco	5,000	5,000	25,000	10,000
	275,000	275,000	1,375,000	550,000

[CRANE No. 4.]

Income-bonds and stock sold by trustees.

	Bonds.	Stock.	Amount received.
Gamalial Bradford	$16,000	$32,000	$22,400
A. Hobart, jr	2,000	4,000	1,400
J. Bardwell	40,000	80,000	56,000
Thomas Nickerson	8,000	16,000	5,600
H. & H. Gilbert	14,000	28,000	11,200
W. B. Stevens	8,000	16,000	5,600
Thomas M. Stetson	9,000	18,000	7,200
F. Nickerson	10,000	20,000	8,000
Isaac Thatcher	14,000	28,000	11,200
H. A. and R. E. Robbins	62,000	124,000	43,400
J. B. Johnston & Co	30,000	60,000	24,000
F. W. Andrews	6,000	12,000	4,800
W. H. Macy	20,000	40,000	16,000
J. E. Williams, account R. G. Hazard	12,000	24,000	9,600
Page, R., & Co., account Lambard	8,000	16,000	6,400
F. W. Andrews	10,000	20,000	8,000
Sidney Dillon	50,000	100,000	40,000
G. G. Gray	5,000	10,000	4,000
Williams & Guion	12,000	24,000	9,600
Beards & Cummings	12,000	24,000	9,600
Henry Hotchkiss	22,000	44,000	17,600
J. B. Alley	14,000	28,000	11,200
Ebenezer Cook	12,000	24,000	9,600
Thomas Lord	4,000	8,000	3,200
George Opdyke	8,000	16,000	6,400
G. G. Gray	10,000	20,000	8,000
James Sturgis, account G. & Williams	5,000	10,000	4,000
Oliver Ames	135,000	270,000	108,000
H. Gilbert	7,000	14,000	5,600
H. J. Gilbert	7,000	14,000	5,600
C. C. Waite	4,000	8,000	3,200
B. F. Ham	2,000	4,000	1,600
J. J. Cisco & Son	30,000	60,000	24,000
Marquand & Son, account G. & Williams	12,000	24,000	9,600
Oakes Ames	338,000	676,000	270,400
Do	25,000	50,000	20,000
A. A. Low	16,000	32,000	12,800
H. W. Gray	3,000	6,000	2,400
Samuel Hooper	60,000	120,000	48,000
R. G. Hazard	40,000	80,000	32,000
E. H. Trowbridge	8,000	16,000	6,400
H. Trowbridge	7,000	14,000	5,600
H. S. McComb	126,000	252,000	100,800
E. W. Gilmore	8,000	16,000	6,400
Josiah Bardwell	4,000	8,000	3,200
B. F. Ham	2,000	4,000	1,600
M. Zebrouske	14,000	28,000	11,200
Glidden & Williams	55,000	110,000	44,000
B. F. Ham	2,000	4,000	1,600
E. Atkins	72,000	144,000	57,600
W. B. Stevens	20,000	40,000	16,000
J. Nickerson	28,000	56,000	22,400
Oliver Ames	100,000	200,000	80,000
R. E. Bates	75,000	150,000	60,000
B. F. Ham	2,000	4,000	1,600
E. R. Enger, account Oliver Ames	3,000	6,000	2,400
O. S. Chapman	52,000	104,000	41,600
H. A. & R. E. Robbins	20,000	40,000	16,000
Oakes Ames	125,000	250,000	100,000
E. H. Baker	102,000	204,000	81,600
R. G. Hazard	5,000	10,000	4,000
G. G. Gray	5,000	10,000	4,000
Oakes Ames	77,000	154,000	61,600
G. M. Dodge	10,000	20,000	8,000
Sidney Dillon	20,000	40,000	16,000
George Opdyke	50,000	100,000	40,000
J. Richardson	10,000	20,000	8,000
Thomas Hawley	3,000	6,000	2,400
S. H. Fessenden	4,000	8,000	3,200
H. W. Gray	7,000	14,000	5,600
Oakes Ames	10,000	20,000	8,000
John Duff	134,000	268,000	107,200
E. W. Gilmore	5,009	10,000	4,000
C. C. Waite	4,000	8,000	3,200
O. S. Chapman	10,000	20,000	8,000
J. Richardson	3,000	6,000	2,400
R. G. Hazard	30,000	60,000	24,000

Income-bonds and stock sold by trustees—Continued.

	Bonds.	Stock.	Amount received.
Reed & Cummings	$12,000	$24,000	$9,600
Samuel Hooper	52,000	104,000	41,600
Oakes Ames & Sons	10,000	20,000	8,000
C. A. Lambard	10,000	20,000	8,000
J. Dickerson	28,000	56,000	22,400
S. G. Gray	5,000	10,000	4,000
A. Richardson	10,000	20,000	8,000
J. Dickerson	14,000	28,000	11,200
Ames, Amory & Co., account J. Bardwell	20,000	40,000	16,000
H. R. Bates, trustee	6,000	12,000	4,800
Henry Trowbridge	3,000	6,000	2,400
J. Bardwell, trustee	20,000	40,000	16,000
S. H. Pescenden	4,000	8,000	3,200
John Pendir, account Oliver Ames	5,000	10,000	4,000
John Pendir, account C. S. Bushnell	5,000	10,000	4,000
Oliver Ames	17,000	34,000	13,600
S. G. Gray	5,000	10,000	4,000
Judge Emott, account L. Lockwood	10,000	20,000	8,000
James Thatcher	10,000	20,000	8,000
C. Adams Ames, account C. A. Lambard	10,000	20,000	8,000
S. G. Gray	10,000	20,000	8,000
S. F. Ham, account Lockwood	6,000	12,000	4,800
T. W. Andrews	12,000	24,000	9,600
S. Foster, account J. Bardwell	10,000	20,000	8,000
A. C. Harding, account Oliver Ames	4,000	8,000	3,200
H. T. Blake	1,000	2,000	800
T. R. Johnston, account Bushnell	100,000	200,000	80,000
Legrand Lockwood	5,000	10,000	4,000
Thomas Nickerson	8,000	16,000	6,400
Henry Ingalls, account G. A. Miller	10,000	20,000	8,000
David Jones	56,000	112,000	44,800
C. Ames, account Legrand Lockwood	5,000	10,000	4,000
Do do	3,000	6,000	2,400
Oliver Ames	30,000	60,000	24,000
Do	30,000	60,000	24,000
C. Ames, account Legrand Lockwood	5,000	10,000	4,000
R. Williams, account Legrand Lockwood	5,000	10,000	4,000
John Duff	43,000	86,000	34,400
T. Atkins	20,000	40,000	16,000
Glidden & Williams	6,000	12,000	4,800
C. A. Lambard	3,000	6,000	2,400
C. Ames, account Legrand Lockwood	5,000	10,000	4,000
T. W. Andrews, account Bardwell	20,000	40,000	16,000
T. W. Gilmore	6,000	12,000	4,800
C. Adams Ames, account C. A. Lambard	10,000	20,000	8,000
J. R. Alley	36,000	72,000	28,800
J. R. Alley, accounnt somebody	18,000	36,000	14,400
J. Richardson, account Lockwood	5,000	10,000	4,000
O. C. Smith, account Lockwood	1,000	2,000	800
Sidney Dillon	80,000	160,000	64,000
Oliver Ames	275,000	550,000	220,000
C. C. Waite	4,000	8,000	3,200
Reed & Cummings	12,000	24,000	9,600
C. H. McCormick	142,000	284,000	113,600
Oakes Ames	61,000	122,000	48,800
J. Dickerson	14,000	28,000	11,200
George Opdyke	9,000	18,000	7,200
Glidden & Williams	6,000	12,000	4,800
Glidden & Williams, account Lambard	41,000	82,000	32,800
S. F. Ham, account Lockwood	5,000	10,000	4,000
S. G. Gray	30,000	60,000	24,000
C. A. Lambard	5,000	10,000	4,000
C. A. Lambard, account Lockwood	1,000	2,000	800
J. Bardwell	8,000	16,000	6,400
Thomas Hawley	4,000	8,000	3,200
C. A. Lambard	14,000	28,000	11,200
James Brooks	22,000	44,000	17,600
C. S. Bushnell	50,000	100,000	40,000
George Opdyke	4,000	8,000	3,200
Do	3,000	6,000	2,400
S. G. Gray	10,000	20,000	8,000
J. E. Smith	10,000	20,000	8,000
Do	1,000	2,000	800
R. G. Hazard	28,000	56,000	22,400
S. F. Ham, account J. M. Smith	9,000	18,000	7,200
T. S. Hodges, account Bushnell	1,000	2,000	800
R. G. Hazard	5,000	10,000	4,000
T. B. Perkins, account J. Bardwell	4,000	8,000	3,200

BOSTON, MASSACHUSETTS, *February* 6, 1873.

B. F. HAM recalled.

By the CHAIRMAN:

Question. Has there been any sum charged to the Oakes Ames contract, or the Davis contract, on account of the difference between the amount realized on the first-mortgage bonds and par?—Answer. Yes, sir.

Q. How much?—A. That I cannot tell.

Q. Has there been any such sum charged on account of the difference between the amount realized on the Government bonds and par?—A. Yes, sir; both of those things were charged up.

Q. Do you know what these securities sold for?—A. The Government bonds were sold at par, and a large amount of Union Pacific bonds were sold previously, which did not bring so much; and a large amount subsequent to this, which did not bring so much as ninety.

Q. What is the whole amount of Government bonds received on the Oakes Ames contract?—A. The Oakes Ames contractors did not receive any. The company sold them for cash and paid the cash over to the contractors.

Q. You cannot tell what the company realized from it?—A. No, sir; I cannot.

The following statements were presented by the witness and put in evidence:

[HAM 1.]

Statement of the cost of the Union Pacific Railroad to the Union Pacific Railroad Company.

Engineering	$890,865 69
Right of way	96,787 48
Amount paid under Hoxie contract	12,974,416 24
Amount paid to trustees under Ames and Davis contract	80,571,871 04
Station-buildings	730,387 66
Shops and tools	398,429 35
Equipment	1,460,676 20
Snow-sheds	293,570 04
Roadway and track	95,399 17
Bridging	124,047 50
Fencing	249,428 46
Telegraph	53,736 40
Express outfit	12,318 71
Expense	421,967 57
Government commissioners	136,037 40
Government directors	52,502 73
Legal expenses	235,009 28
United States revenue stamps	50,649 54
Discount and interest	2,581,180 09
Preliminary expense	487,229 93
Cedar Rapids and Missouri River Railroad	75,000 00
Interest on bonds paid during construction	4,000,000 00
Losses on $27,237,000 first-mortgage bonds	3,494,991 23
Losses on 10,400,000 land-grant bonds	4,336,007 96
Losses on 27,237,000 Government bonds	91,348 72
Losses on 9,268,000 income-bonds	2,818,400 00
	116,732,348 52
Deduct amount received from Central Pacific Railroad Company for road sold them	2,698,620 00
	114,033,728 52

[HAM 2.]

Statement of the actual cost of the Union Pacific Railroad.

gineering	$890,865 69
ht of way	96,787 48
tual cost of building road under Hoxie contract	7,806,183 33
tual cost of building road under Ames and Davis contracts	42,914,774 61
tion-buildings	730,387 66
ops and tools	398,429 35
uipment	1,460,676 20
w-sheds	293,570 01
ilway and track	95,399 17
dging	124,047 59
ncing	249,428 46
legraph	53,736 40
ress outfit	12,318 71
pense	421,967 57
vernment commissioners	136,037 40
vernment directors	52,592 73
al expenses	235,009 32
ited States revenue stamps	50,649 54
count and interest	2,581,180 09
liminary expenses	487,229 93
dar Rapids and Missouri River Railroad	75,000 00
terest on bonds paid during construction	4,000,000 00
ues on $27,237,000 first-mortgage bonds	3,494,991 23
ues on $10,400,000 land-grant bonds	4,336,007 96
ues on $27,237,000 Government bonds	91,348 72
ues on $9,268,000 income-bonds	2,818,400 00
	73,907,019 18
duct amount received from Central Pacific Railroad Company for road sold them	2,698,620 00
	71,208,399 18

[HAM 3.]

[Circular.]

BOSTON, *September* 22, 1869.

To the stockholders of the Union Pacific Railroad Company:

The trustees having completed the work of construction and equipment of the Union Pacific Railroad, and having received a payment for the same in 10 per cent. income-bonds, payable September 1, 1871, or within five years, at the option of the company, also stock of the Union Pacific Railroad Company, and being desirous of closing up the trust, and paying up all outstanding liabilities, propose to each party interested in the trust the following terms:

For two of said income-bonds of $1,000 each, and forty shares of the stock of the company, the trustees will take $1,600, cash, and as agents for the Union Pacific Railroad Company, and by way of compromise and adjustment, will also give the party taking said bonds, one other of said bonds of $1,000, upon the surrender to us, as such agents, of a certificate of agreement of July 3, 1868, by which the Union Pacific Railroad Company promise to deliver, when practicable, one of its first-mortgage bonds. Payment for the said bonds will be received as follows:

Fifteen (15) per cent. on the 1st of October; ten (10) cent. on the 15th of October; ten (10) per cent. on the 1st of November; ten (10) per cent. on the 15th of November; ten (10) per cent. on the 1st of De-

cember; ten (10) per cent. on the 15th of December; ten (10) per cent. on the 1st of January; ten (10) per cent. on the 15th of January; and fifteen (15) per cent. on the 15th of February.

Any shareholder notifying the subscriber on or before the 1st day of October will be entitled to his *pro rata* portion of these securities.

Any stockholder failing to take his portion of the securities in thirty days from the date of this circular will forfeit his right thereto, and said securities will be divided *pro rata* to those stockholders who are willing to take them.

By order of the trustees.

JOHN. A. RICE,
Assistant Treasurer Trustee.

BOSTON, MASSACHUSETTS, *February* 7, 1873.

E. H. ROLLINS recalled.

By the CHAIRMAN:

Question. Furnish a list of the officers and directors from the organization of the road down to this time.—Answer. Here it is. (Presented in evidence, and marked "Rollins 7 and 8.")

Q. What action was taken by the board in relation to the disposition of the land-grant bonds?—A. On page 17 of the records of the stockholders and directors, at a meeting of the board of directors held in Boston, April 9, 1869, the following resolutions were adopted:

"*Resolved*, That a special committee of five be appointed by the chair, with full power to provide means for the payment of the debts of the company and building and equipping the road by the sale and disposal of ten millions of dollars each of the first-mortgage bonds and of the land-grant bonds of the company; the former at not less than 85 per cent. of the par value thereof, with accrued interest, and the latter at not less than 55 per cent. of the par value thereof, with accrued interest; that said committee offer to the shareholders of the company the said bonds at the prices above named in proportion to the number of shares held by them respectively, and that the bonds not taken by those entitled shall be allotted *pro rata* to such shareholders as shall file with their acceptance of their shares a consent to accept pay for the same at the price offered. Such bonds as shall not be taken and paid for by the shareholders may be sold by the committee at public or private sale, but not for a less price than above named.

"*Resolved*, That such committee have full power to provide details for carrying into effect the above resolution, and to execute all necessary assignments, agreements, and papers for and in the name of the company. The said company hereby ratify and approve their said acts.

"The president appointed as committee, William T. Glidden, Oakes Ames, C. S. Bushnell, James Brooks, Benjamin E. Bates."

Q. Were the land-grant bonds disposed of pursuant to that action of the board?—A. They were; $8,263,000 were disposed of, in pursuance of the resolution, at 55.

Q. What was done with the balance?—A. Two million one hundred and thirty-six thousand dollars land-grant bonds were sold to C. S. Bushnell at 70.

Q. Can you tell when the sale was made to Bushnell?—A. They were sold to Bushnell agreeably to the resolution of the executive committee passed January 19, 1871, and heretofore given in my testimony, (February 6, 1873.)

Q. Can you furnish a statement of the persons who received the 53 bonds that you have mentioned as having been disposed of by the mpany at 55 cents?—A. They were delivered to this committee of e. I think that we may be able to furnish a detailed statement owing to whom they were actually delivered.

Q. Will you furnish such a statement?—A. Yes, sir.

Q. Was there any action taken by the board, and, if so, when, in lation to the settlement of the unsettled accounts of Mr. Bushnell?—. At a meeting of the board held at Boston, March 5, 1872, the follow- g resolution was adopted:

"*Resolved*, That the unsettled accounts between this company and C. Bushnell be referred to a committee consisting of Oliver Ames, Oakes mes, John Duff, F. Gordon Dexter, Elisha Atkins, David J. Rud- ck, for audit and final settlement; and that they are hereby author- ed to take into consideration the services of said Bushnell, and the rcumstances attending the incurring of the alleged indebtedness of e said Bushnell; and the said committee are hereby instructed to ke a full report to this board in writing, of the settlement, with their asons therefor, such report to be engrossed on the records of this com- ny, the said settlement to be fully completed by the 1st day of May, 72."

Q. Did that committee make a report?—A. They did.

Q. Is it recorded?—A. It is.

Q. Where will it be found?—A. On page 145 of the records.

Q. What record is that?—A. The record of the stockholders and di- ctors.

Q. Will you furnish a copy to be made an exhibit in your testi- ony?—A. I will. (Marked "Rollins 16," and submitted in testimony.)

Q. Have you lists of stockholders for 1870, 1871, and 1872?—A. I ve, and submit them. Also a list for 1863. (Marked "Rollins 9, 10, 1, 12.")

Q. State what amount was realized by the company om each class of bonds issued and received.—A. It ppears from the books that the whole number of first- ortgage bonds issued and disposed of was $27,213,000 00
oss on same 3,494,991 23

Making the net proceeds 23,718,008 77

and-grant bonds issued $10,400,000 00
oss on same 4,336,007 96

Making the net proceeds for the sale of land-grant bonds 6,063,992 04

Government bonds, whole amount received $27,236,512 00
oss on same 91,348 72

Making the net proceeds 27,145,163 28

Income bonds, whole amount issued and disposed of $9,355,000 00
oss on same 2,818,400 00

Making the net proceeds 6,536,600 00

Q. Can you furnish a detailed statement of the dates of the sales of these various bonds and amounts sold at the time of sale respectively?—A. I think I can.

Q. Will you furnish a statement to the committee?—A. I will, if it is possible.

BOSTON, MASSACHUSETTS, *February* 7, 1873.

B. F. HAM recalled.

By the CHAIRMAN:

Question. Have you examined the books of the Union Pacific Railroad Company to ascertain the cost to that company of the road built under the Hoxie contract, from Omaha to the one hundredth meridian?—Answer. Yes, sir.

Q. What was the cost?—A. Twelve million nine hundred and seventy-four thousand four hundred and sixteen dollars and twenty-four cents.

Q. What amount, if any, of that is yet unpaid?—A. One million nine hundred and ninety-four thousand seven hundred and sixty-nine dollars and ninety-six cents.

Q. Does the amount which you have given as the cost of the Hoxie contract to the railroad company embrace the two-million note which has been spoken of before in the testimony?—A. It embraces this $1,994,769.

Q. Was the two-million note given on account of this $1,994,769?—A. Yes, sir.

Q. Have you examined the contractors' books for the purpose of ascertaining the cost of the Hoxie contract to the contractors?—A. I have examined the Credit Mobilier books; $7,806,183.33.

Q. Can you give the cost, from the books of the Union Pacific Railroad Company, or from any other source, of the first fifty-eight miles west of one hundredth meridian?—A. I cannot.

Q. Was there ever any adjustment of profits on that fifty-eight miles after the Oakes Ames contract was made with the Credit Mobilier?—A. Not to my knowledge.

Q. Was there ever any settlement with the Credit Mobilier with reference to these fifty-eight miles?—A. No, sir.

Q. Was there ever any sum paid to the Credit Mobilier on account of these fifty-eight miles?—A. There was $1,104,000 paid to the Credit Mobilier on account of its interest in the Ames contract.

Q. What interest did the Credit Mobilier have in the Ames contract?—A. They guaranteed the contract and were to receive 2½ per cent. for advances made, and then were to have the profits on these fifty-eight miles.

Q. Were they to have the profits on the fifty-eight miles in addition to the 2½ per cent.?—A. Yes, sir.

Q. What did the 2½ per cent. amount to?—A. It has never been made up.

Q. What was the $1,104,000 paid for?—A. I do not know; it was simply paid on account.

Q. Is there any mode by which the profits on this fifty-eight miles can be ascertained?—A. Not that I know of; I am not capable of making it up.

Q. Upon what is that 2½ per cent. to be calculated?—A. I should have to get the assignment of the contract. That is all I can tell, just what the contract reads.

Q. What amount was to be advanced by the Credit Mobilier?—A. ...t I cannot tell.

Q. What amount was advanced by the Credit Mobilier on account of ...s Ames contract?—A. Five hundred and seventy-six thousand six ...ndred and ninety-seven dollars and one cent.

Q. That was the whole amount advanced?—A. That was the balance ...the account. I will give you the whole amount advanced, $723,606.80.

Q. That is the amount advanced by the Credit Mobilier on this con...act?—A. Yes, sir.

Q. If the $1,104,000 is a settlement of accounts between the Credit ...obilier and these trustees under the Ames contract, then the differ...ce between 2½ per cent. on the amount that you have given and the ...,104,000 would represent the profits on the fifty-eight miles, would it ...t?—A. The whole question commences with an "if."

Q. I wish simply to get at that idea.—A. You would only get what ...ght be my opinion. I have no opinion about it. I have nothing to ...with it except as a clerk. The whole matter might be determined in ...different manner when it comes to a settlement.

Q. I find in the Oakes Ames contract this provision, "And this con...yance and transfer is made upon the further trust and condition, that ...e trustees shall adjust and pay over to the Credit Mobilier of America ...ch portion of the net profits of the work done and materials furnished ...the first hundred miles west of the one hundredth meridian as was ...ne and performed prior to the 1st January, 1867." Was that adjust...ent ever made?—A. No, sir, it was not; not to my knowledge.

Q. Do you know what was the cost of the first one hundred and ...irty-eight miles west of the one hundredth meridian up to the time ...e Oakes Ames contract had been made?—A. No, sir; I do not.

Q. Is there any mode by which those profits can be ascertained?—A. ...am not capable of making it up myself.

Q. Is there anything on the books of the Union Pacific Railroad Com...any that will show the cost of the one hundred and thirty-eight miles ...to the time the Oakes Ames contract was let?—A. I do not think ...here is.

Q. Has any amount been charged to the Ames contract on account of ...he discount on securities; and, if so, what amount?—A. Yes, sir; ...he trustees' books show, on first-mortgage and Government bonds, ...$17,440.08.

Q. Is there any amount charged to the Davis contract on account of ...he discount on securities?—A. No, sir.

Q. What amount was realized on the sales of these bonds that you ...have made?—A. I will furnish you a statement. (Statement put in ...evidence and marked "Ham 1.")

Q. Do the books show any amount of stock subscribed to make up the ...difference between the amount for which bonds were sold and the ...cost of the road under the Ames contract? A.—The assignees of this ...contract subscribed to the capital stock according to the terms of the ...contract.

Q. What amount did they subscribe, and when?—A. I cannot distin...guish between one contract and another in giving you the subscriptions.

Q. What amount was subscribed on account of the Ames and Davis ...contracts conjointly?—A. January 4, 1868, $2,296,000; June 17, 1868, ...$1,500,000; July 3, 1868, $2,500,000; July 9, 1868, 300,000; December ...9, 1868, $7,500,000; February 27, 1869, $4,000,000; October 19, 1869, ...$1,000,000; November 3, 1869, $1,000,000; November 26, 1869, $1,000,...000; December 18, 1869, $1,000,000; January 11, 1870, $1,000,000;

January 25, 1870, $1,000,000; February 11, 1870, $2,000,000; February 18, 1870, $1,000,000; July 29, 1870, $3,000,000; making $30,096,000; I wish to qualify this statement by saying that some of this stock may not have been subscribed on account of these contracts.

Q. How much of it?—A. I cannot say how much.

Q. If any of it was not subscribed on account of this contract, on what account was it subscribed?—A. On account of the money actually paid in.

Q. By whom were these subscriptions made?—A. By H. C. Crane, assistant treasurer, and J. A. Rice, assistant treasurer.

Q. When you say the money was actually paid, did these trustees pay over the money or did they use a check?—A. I mean to say that Mr. John A. Rice had money to his credit on the books of the Union Pacific Railroad Company independent of the contract money that the company had received at different times from sales of bonds.

Q. Did he get a check from the company?—A. I suppose the officers of the company can produce the checks if wanted. I was not an officer and do not know how the transaction occurred. I suppose the checks were drawn.

Q. Drawn by the Union Pacific Railroad Company, passed over to the parties subscribing, and the check turned back in payment of subscription?—A. I presume so, but do not know.

Q. From what source were the moneys derived?—A. From sales of bonds by Mr. Rice.

Q. On what account was this money paid over to the trustees?—A. Some of it was paid over to the trustees on account of this money received; some on account of the contract.

Q. Did the trustees have no money except what was derived from the contract?—A. They had money which was derived from the sales of these bonds and stock.

Q. On what account did they give the bonds and stocks?—A. They took the bonds on account of the contract.

Q. The whole thing arose out of the contract itself?—A. To be sure, in a certain sense, it arose out of it. The history of the transaction is that the company found itself with a large floating debt which they must wipe out in some way or other, and they sold these securities to the trustees, and the trustees sold them to the stockholders, and they sold a portion, and the other portion was issued according to the terms of the contract.

Q. Did the company sell any stock?—A. No, sir; it simply took subscriptions for stock.

Q. When subscriptions were made and paid in money by the trustees, from what source did the trustees get the money?—A. From sales of the securities, stocks, and bonds.

Q. On what account did they get the stocks and bonds that they sold?—A. Some of them they got from this money, and some on account of the contract.

Q. Did these trustees ever have any bonds or stocks that they got in any other way except on account of the contract?—A. O, yes, to be sure.

Q. Where did they get them?—A. They got them from the money. I will tell you how the thing appears. They first had four millions of stock that they got on the account of the contract, and that they had on hand. They purchased some bonds from the company on account of the contract. Then they had a stock to go to work with. Then they sold these to Tom, Dick, and Harry—various parties—and then they

money, and that money is placed to the credit of J. A. Rice, assistant
surer. So that they have a money account and a contract account
itself. The books of the company show it in that way.
Q. What amount of securities were sold by the Union Pacific Rail-
d Company while the Hoxie contract was being contracted?—A.
thing but the Government bonds.
Q. Did the company, after the Hoxie contract had been completed,
ose of any of the first-mortgage bonds; and if so, what amount?—
They disposed of all of them up to the end of the Hoxie contract,
hat portion of the road covered by the Hoxie contract.
Q. They were authorized to issue their bonds one hundred miles in
ance of the road, and sometimes bonds were sold in advance of that
hority to issue. They commenced selling bonds in 1867. Were those
ds sold to the Credit Mobilier?—A. A million and a quarter were
d to the Credit Mobilier.
Q. Were there any more than that sold to the Credit Mobilier?—A.
sir.
Q. Did the company dispose of the remainder of its first-mortgage
ds up to the one hundredth meridian?—A. It disposed of them all.
Q. Have you examined the balance-sheets that were presented by
. Crane in his testimony yesterday?—A. Yes, sir.
Q. Do those balance-sheets show a correct statement from the books
the company?—A. Substantially so.
Q. In what did the trustees receive the profits that appear by these bal-
e-sheets to have been made on the Ames and Davis contracts?—A.
y subscribed for stock, and they purchased bonds.
Q. They received it in stock and bonds, did they not?—A. They did
according to that wording.
Q. How much of it was stock, and how much of it in bonds?—A.
t would be difficult for me to tell.
Q. Can that be shown from the books?—A. I do not know but it can
. I think we can tell. January 3, 1868, they purchased 3,777 first-
rtgage bonds at 90, amounting to $3,399.300; July 3, they pur-
ased certificates which were afterward converted into income-
nds, 2,500, at 101, amounting to $2,525,000; January 3, 1868, 22,960
res of stock, amounting to $2,296,000; June 17, 1868, 15,000 shares,
ounting to $1,500,000; July 3, 1868, 25,000 shares, amounting to
,000,000; July 14, 1868, 3,000 shares, amounting to $300,000; Decem-
r 31, 1868, 75,000 shares, amounting to $7,500,000; February 27, 1869,
,000 shares, amounting to $4,000,000; October 19, 1869, 10,000 shares,
ounting to $1,000,000; November 3, 1869, 10,000 shares, amounting to
,000,000; November 26, 1869, 10,000 shares, amounting to $1,000,000;
ember 18, 1869, 10,000 shares, amounting to $1,000,000; January
, 1870, 10,000 shares, amounting to $1,000,000; January 25, 1870,
,000 shares, amounting to $1,000,000; February 11, 1870, 20,000 shares,
ounting to $2,000,000; February 18, 1870, 10,000 shares, amounting
$1,000,000; July 29, 1870, 30,000 shares, amounting to $3,000,000.
d bonds—March 31, 1869, 1,900 first-mortgage bonds, amounting to
,000,000; October and November, 1,700 income-bonds, at 60, amount-
g to $1,020,000; January, 2,210,000, amounting to $1,320,600; Feb-
ry, 1,939,000, amounting to $1,145,400; January 18, 1871, 1,000 at 60,
ounting to $600. Mr. John A. Rice paid in cash into the Union
ific Railroad Company, as the proceeds of bonds and stocks sold by
, $6,368,334.90.
Q. Was that the proceeds of bonds and stocks sold?—A. Yes; that

was the proceeds of bonds and stocks sold by him, and for which h received stock of the Union Pacific Railroad Company at par.

Q. Then deducting from the amount of stock given by you as above $6,368,334.90, would show the amount of stock received on account o the profits as shown by these balance-sheets?—A. It would show th amount taken under the eleventh section of the contract. They sub scribed for so much stock on account of the excess received from th bonds on account of construction.

Q. The aggregate profits made on the Ames and Davis contracts, a shown by the balance-sheets, exhibited with Mr. Crane's testimony, am $37,657.095. Now, state how much of that was bonds, how much stock and how much money.—A. They received on account of the contract $3,777,000 first-mortgage bonds, amounting to $3,399,300; 4,400,0 certificates for first-mortgage bonds, which were afterward converte into income-bonds, amounting to $4,425,000; 5,841 income-bonds, amount ing to $3,486,600, and subscribed for 240,000 shares of stock, amounting to $24,000,000; the balance was received in cash, $2,346,195.

Q. Have there been any payments made to the Credit Mobilier sinc the resolution of the directors fixing the amount due to the Credit Mobilier?—A. Not on that account.

Q. Have there been any payments made on any account?—A. Ye

Q. On what account?—A. On current account.

Q. What does it have reference to?—A. It has reference to nothing particular. It is simply a current account, "paid them so much mone on account."

Q. Does the Credit Mobilier have any other account?—A. It has tw accounts; one with the balance due on the Hoxie contract that h never been paid.

Q. Nothing been paid on that?—A. No, sir.

Q. Look at the books of the Union Pacific Railroad and see wh appears to be the cost of the whole road as shown by these books.— The whole cost, as appears from the books of the company, is $114,63 728.52, an itemized statement of which is herewith submitted, [mark "Ham 1."] Now, I would like to state the actual cost of building t Pacific Railroad as I make it up from the books of the contractors a books of the company. The actual cost is $71,208,399.18.

Q. What do you mean when you say the actual cost?—A. I mean t amount of money expended in building, losses on securities, discou and interest, and other things which go to make up the cost of the ro

Q. In this account that you have presented I find an item $2,581,180.09, discount and interest. Will you explain that?—A. Th was interest on the money borrowed.

Q. From whom?—A. From outside parties, principally; some fr inside parties.

Q. In what way was that money borrowed?—A. Some of it on mand loans and some of it on notes.

Q. Is there on the books of the company an account of that?— Yes, sir.

Q. State on what book and commencing at what page this disco and interest account may be found?—A. On ledger A, commencing page 535.

Q. Where will the journal entries be found?—A. Just where sta here.

Q. They will be on journals and cash-books corresponding with paging that is indicated on this ledger?—A. Yes, sir.

Q. What do I understand you to mean when you say that the ac

cost of building the road is $71,208,399.18?—A. I mean to say that if there had been no contracts made with anybody and they had had to build the road under the difficulties they did encounter, it would have cost seventy-one millions in cash, having to sell their securities at the prices they sold them.

Q. Then in getting at this seventy-one millions you take into account the discount on the securities?—A. Yes, sir; the loss to the company on securities.

Q. When you speak of seventy-one millions you are speaking outside of the contracts that have been made for the construction of the road, or do you mean it would cost that at the contract prices at which it was let?—A. No, sir; that it did actually cost the contractors so much money to build, and then it cost the company in addition so much money. I will make a detailed statement that will show it. [Ham 2, appended.] Now, I would like to make a statement. The trustees under the Ames and Davis contracts were compelled on account of the pressing necessities of the company to sell the securities received by them at so large a discount from the amount paid for them that the actual amount divided in both contracts at its cash value I should consider worth not more than nine millions.

Q. What securities do you refer to as having been sold by them at this large discount?—A. Stocks and bonds of the Union Pacific Railroad.

Q. What bonds do you refer to?—A. Land-grants, incomes, and stocks.

Q. Do you refer to any first-mortgage bonds?—A. Yes, sir; first-mortgage, land-grant, income, and stock.

Q. What did the trustees purchase the land-grant bonds at?—A. Fifty-five per cent.

Q. They bought them from the company at 55?—A. Yes, sir.

Q. What did they sell at?—A. They sold them with other securities.

Q. They bought the land-grants at 55 and sold them for what?—A. They did not sell them by themselves.

Q. What did they do then?—A. They bought first-mortgage at 85 and the land-grants at 55, and they sold one $1,000 first-mortgage bond, and one $1,000 land-grant bond, and $5,000 of stock, for $2,000.

Q. Was that to raise money?—A. It was to raise money to meet the pressing necessities of the company.

Q. To whom did they sell them?—A. They offered them to all their stockholders, and could not get them to take them.

Q. Did they sell them to these persons who are given in Mr. Crane's statement?—A. Yes, sir.

Q. Go to the next class of bonds.—A. They purchased the income-bonds at 60, and sold $1,000 of bonds and $2,000 of stock for $800.

Q. In other words, they sold the bonds at 80 and distributed that much stock, or they sold the bonds at 60 and the stock at 10; is not that the way? It amounts to the same thing either way, does it not?—A. Yes, sir.

Q. They bought these "incomes" at 60; then they turned about and sold them at 60 with double the amount of stock at 10, or they sold them at 80 and distributed the stock?—A. No, sir. They sold the bonds and stock, is my understanding, without any distribution. I would put the whole thing in at 80—$1,000 of bonds and $2,000 of stock.

Q. Did not you make up on their books a statement showing that this was a sale of the bonds at 60 and the stock at 10?—A. I had no authority to do it.

Q. That was your interpretation at that time?—A. No, sir.

Q. You did put that upon these books?—A. Yes, sir; but I had no authority whatever.

Q. But it so appears upon the books?—A. Yes, sir.

Q. This is what you call a selling of the securities at this enormous discount, by virtue of which you say that you conclude that these parties only made a profit of nine millions?—A. Yes, sir; because there were lots of men that would not take the securities at these prices.

Q. These sales of securities to which you have referred are the same sales of securities which were referred to by Mr. Crane in his testimony yesterday, a detailed statement of which was put in evidence?—A. Yes, sir; I did not hear his evidence, but that is the detailed statement.

Q. They are the same sales that are set forth in this statement?—A. Yes, sir.

Q. Now, it is upon that that you base your statement that you do not consider that these parties made more than nine millions of dollars?—A. It is upon that.

Q. Now, Mr. Ham, was not that the mode in which the parties distributed the avails of their contract?—A. It was not done for that object.

Q. But is not that the mode in which they *did* distribute this contract?—A. That was not the object.

Q. I am not talking about the object. Is not that the mode in which they *did* distribute?—A. You will find my name in here for large amounts to which I was not entitled.

Q. Did they ever make a distribution of avails in any other mode than this?—A. They had no avails to distribute.

Q. Then there were no profits made upon this contract?—A. No, sir.

Q. There never was anything divided?—A. Not according to the books.

Q. According to the system of book-keeping which you had adopted in conducting these affairs, notwithstanding all that appears from the balance-sheet there is nothing divided?—A. I wish to say that the securities were sold so much less than what was paid for them that nothing was divided; the book-keeping had nothing to do with it.

Q. Then, according to the manner in which they did this thing, there was nothing to divide?—A. Nothing to divide.

Q. Nothing to divide in theory; how was it in fact?—A. Well, I consider if that had been desirable, lots of people would have taken it that did not take it.

Q. I want to know how it was in fact. Do you wish to be understood that there was nothing divided among these people?—A. I wish to be understood as saying that.

Q. Then what became of these profits?—A. They sold these securities at these prices; they offered them to——

Q. They sold them to whom?—A. They offered them to their stockholders.

Q. They sold them to whom?—A. Sold them to stockholders.

Q. Did not they substantially sell them to themselves?—A. Not entirely.

Q. But substantially they sold them to themselves?—A. Yes; they did.

Q. Mr. Ham, have you ever undertaken to trace out these bonds that were sold?—A. Yes, sir; that is the manner in which they were sold.

Q. The circular you showed me shows the manner in which this thing was done to which you have referred?—A. Yes, sir.

Q. Did I understand you a while ago to say that the trustees bought income-bonds from the Union Pacific Railroad Company?—A. Well, it is the same thing, buying them or taking them upon a contract.

The CHAIRMAN. That is what I have been contending for all the way through.

The WITNESS. I will admit that they took bonds on the contract any time.

Q. I will read a portion of the circular: "The trustees having completed the work of construction and equipment of the Union Pacific Railroad, and having received a payment for the same in ten per cent. income-bonds, payable September 1, 1871, or within five years, at the option of the company, also stock of the Union Pacific Railroad Company, and being desirous of closing up the trust and paying up all outstanding liabilities, propose to each of the parties interested in the trust the following terms." Then, if this circular shows just what was done, the Union Pacific Railroad Company did pay for construction by turning over these income-bonds?—A. That seems to be the construction which Mr. Rice puts upon it. I do not put that construction upon it.

Q. If this circular [Ham 3] that you hand me is correct, then the trustees received stock in payment for this work?—A. I do not consider that correct.

Q. Mr. Rice seems to put that construction upon it?—A. Yes, sir.

Q. Now, this circular proceeds as follows: "For two of said income-bonds, of $1,000 each, and forty shares of the stock of the company, and by way of compromise and adjustment, will also give the party taking said bonds one other of said bonds of $1,000 upon the surrender to us, as such agents, of a certificate or agreement of July 3, 1868, by which the Union Pacific Railroad Company promise to deliver, when practicable, one of its first-mortgage bonds; payment for the said bonds will be received as follows." Is that the construction which you put upon it?—A. Yes, sir.

Q. You and Mr. Rice agree as far as that is concerned?—A. Yes, sir.

Q. I would be glad to have you state, now, how it was that this shortage of bonds occurred, as nearly as you can.—A. In March, 1869, I locked the company's vault and went home with instructions to remain there until I was sent for. I was not sent for until about the middle of the following July. In the mean time the company's officers, or the men managing the company, had been dogged around from pillar to post, and when I came to make up the bond account this shortage occurred.

Q. What disposition had been made of these bonds from time to time prior to this shortage?—A. The most of these bonds, when I left, were in Boston; but they were accounted for from Boston.

Q. Was there any shortage at Boston?—A. No, sir.

Q. Where did the shortage occur?—A. That I cannot trace. It occurred between those three months.

Q. Did it occur in New York?—A. Yes, sir.

Q. Were any of those bonds deposited about one place and another as collateral security for loans?—A. It is so stated. I have no knowledge of it; do not know anything about it.

Q. Prior to the time of your getting out of New York had any been deposited as collaterals?—A. A large amount of them.

Q. Have you any books or papers that will show with whom bonds had been deposited as collaterals?—A. I had books, but do not know where they are.

Q. Did you ever keep any memoranda that would throw any light upon that subject?—A. I did at the time; but they are all gone now.

Q. How did you keep these memoranda?—A. I kept a bond-book, showing the number of each bond, and what was its disposition; where it was temporarily, and what was its final disposition.

Q. Where is that bond-book?—A. I do not know whether it is in the office or not.

Q. Is it not possible that these bonds may be out somewhere where they have been hypothecated?—A. No, sir; the coupons come in regularly.

Q. I suppose the coupons may come back; but the bonds do not find their way back?—A. No, sir; we have attempted by the coupons to trace the bonds back, but we find that parties having control of the bonds very often shifted numbers—mixed them up with their own bonds—and then they got shifted around elsewhere. We cannot tell anything about it.

NEW YORK, *February* 8, 1873.

EDWARD MORGAN sworn and examined.

By the CHAIRMAN:

Question. Where do you reside and what is your occupation?—Answer. I reside at 328 Fifth avenue, New York City. Am a banker, of the banking-house of M. Morgan & Sons, doing business No. 39 William street, New York City.

Q. What, if anything, do you know of three drafts drawn by J. M. S. Williams, treasurer of the Union Pacific Railroad Company, March 9, 1871, one for $20,626.45, one for $43,841.09, and one for $18,032.46? State all you know in relation to them.—A. They were drawn for account of C. S. Bushnell against land-grant bonds of the Union Pacific Railroad Company, at 70 cents to the dollar, and accrued interest. The proceeds of the draft went to Mr. Bushnell's account on our books, and he got the benefit of the same. The drafts came to us on the 10th of March, 1871, were paid that day, and the bonds accompanied the drafts. The drafts and bonds I think were brought to us by Mr. Bushnell in person. That is all I know about the transaction.

Q. Do your books show anything in relation to a draft for $2,500 in favor of E. H. Rollins, drawn by Mr. Bushnell?—A. Our books show that on the 10th of March, 1871, we paid Mr. Bushnell's draft, favor of E. H. Rollins, for $2,500.

NEW YORK, *February* 8, 1873.

THOMAS P. GILMAN sworn and examined.

By the CHAIRMAN:

Question. Where do you reside and what is your occupation?—Answer. Palisades, Rockland County, New York. Am a banker, of the firm of Gilman, Son & Co., doing business in the city of New York, No. 47 Exchange Place.

Q. Look at this check, dated March 9, 1871, drawn by J. M. S. Williams, treasurer, on National Bank of Commerce of Boston, No. 237, for $24,500, payable to the order of B. W. Spence, indorsed by B. W. Spence, payable to order of E. H. Rollins, secretary, and indorsed E. H. Rollins, secretary; and state whether or not that check came to you

bank, and on whose account, and by whom deposited.—A. I think that that check was deposited by General G. M. Dodge. Our books show the following entry, date March 10, 1871: "G. M. Dodge dep'd $24,500." The form of the entry indicates that the deposit was made by General Dodge in person. If it had come by mail the entry would have been, in place of the word "dep'd," "let.," indicating letter, and following that, the date of the letter inclosing the deposit. When a deposit is made otherwise than in person the mode of making the deposit is always indicated in our books.

Q. Had General Dodge been keeping an account with your bank prior to this deposit; did he have an account at that time; was it continued after that date, and did this $24,500 go to his credit in his general account, if he had such an account?—A. He had been keeping an account at our bank; had an account there which was continued afterward. This $24,500 went into that account to his credit.

Q. What, if anything, do you know as to what disposition was made by him of this $24,500?—A. All I know is that he drew checks and drafts on his general account, of which this $24,500 was a part.

PHILADELPHIA, PENNSYLVANIA, *February* 10, 1873.

THOMAS A. SCOTT, of the city of Philadelphia and State of Pennsylvania, sworn and examined.

By the CHAIRMAN:

Question. Did you at any time hold any official relations with the Union Pacific Railroad Company; and if so, what, and when?—Answer. I was president of the company from some time in March, 1871, until March, 1872, one year.

Q. Were you elected president at the annual meeting in March, 1871?—A. Yes, sir, I was; I think the 8th or 9th March.

Q. Were you in the city of Washington while the bill was pending before Congress in relation to Government transportation, which was approved March 3, 1871?—A. I was there several times while the bill was pending, but not in connection with that bill. My special business in Washington was to take care of the Ohio River bridge bill, for the crossing at Cincinnati, in which our Pennsylvania Railroad Company was interested to over the extent of a million of dollars, which was placed in great jeopardy by the threatened action of Congress, by reason of their requiring the bridge to be raised over thirty feet, without any possible claim for extraordinary outlay caused thereby. I appeared before the committees of both Houses, with our counsel, Stanley Matthews, on this subject, and continued the fight up to the last night of the session, when Congress granted us an appeal to the Supreme Court for damages, if we could show that we were entitled to them. I knew, during my stay in Washington, of the efforts of gentlemen connected with the Union Pacific Railroad to pass the bill of March 3, 1871, relating to transportation over the Pacific roads, and I also knew of the Omaha bridge bill, to provide for the completion of that structure across the Missouri River.

Q. Have you any knowledge or information of any moneys of the Union Pacific Railroad Company having been used directly or indirectly with members of Congress to secure the passage of the act of March 3, 1871, or of the Omaha bridge bill, approved February 24, 1871?—A. I have not.

Q. Were you at a meeting of the board of directors of the Union Pacific Railroad Company, held in the city of Boston, March 9, 1871, and if so, do you know anything in relation to a claim of $126,000 that was considered by a committee at that meeting?—A. I was at the meeting on the 9th of March, and knew that the subject of compensation or allowance to Mr. Bushnell was placed in the hands of a committee with power to do what in their judgment was right to be done. And as president of the company, I was ex-officio called on as a member of that committee. The committee heard Mr. Bushnell's claims, as stated by myself, and granted him the amount of $126,000, which was paid to him by the company. Mr. Bushnell stated that he was under great embarrassment on account of the company by undertaking to carry through himself and his associates large amounts of the securities very much above ruling market rates, and that he had, at sacrifice to his own business, given the company's interests at Washington a great deal of time and attention, and that he had called General Dodge there to aid him, and had agreed to pay him liberally for his time and expenses, all of which he wanted to carry out in good faith, and that if the company were willing to aid him reasonably he felt that he could go on and carry out every obligation he had made to the company. I knew of my own knowledge that Mr. Bushnell had been carrying a very large load of obligations, and for the various reasons given by Mr. Bushnell, the committee agreed that the company's interest and Mr. Bushnell's would be equitably served by granting the sum they did, and it was so paid to him.

Q. What securities was he carrying to which you have referred in your last answer, and who were his associates?—A. He was carrying a large amount of the land-grants and income-bonds of the company, that were taken by himself and associates in order to place the company in reasonable financial condition by providing for its interest due in January, and to provide money to lift and pay off the floating debt of the company. I had made this a condition before agreeing to accept the presidency, that all its old complications with the Credit Mobilier, unadjusted floating debt, and other questions of that character, should either be actually paid off or placed in such condition as to relieve the company from embarrassment from that source. To accomplish this purpose, Mr. Bushnell and his associates agreed, as I afterward understood, to purchase from the company, very much above their current market-values, four or five millions of the bonds referred to, no doubt with the prospect on their part that the improved financial condition of the company, and the revived credit of the new organization, would ultimately relieve them from loss. But this they found to be a slow process and the load a heavy one. I do not know who the associates of Mr. Bushnell were, but I think they were bankers of New York and Boston. Mr. Bushnell finally and fully, as I believe, carried out all his obligations to the company, and its credit by these various movements was preserved intact, and all its obligations met at maturity.

Q. Did Mr. Bushnell pay to you any portion of this $126,000, and if so, what amount and on what account?—A. I had said to Mr. Bushnell, on several occasions, that I wanted very much to have moneys that I had advanced him restored to me as soon as he could; and after the committee had acted on the 9th of March, I said to him then that I hoped he could give me a portion of the moneys he owed me. He asked me the least amount I could get along with that day, and I replied, fifteen or twenty thousand dollars. He gave me a check of the company

$19,000, which I took as cash from him. This check I deposited in usual course, after my return to Philadelphia, at the Girard Bank.

Look at this check dated March 9, 1871, No. 2373, payable to order B. W. Spence, indorsed by B. W. Spence and by E. H. Rollins, and te whether that is the check to which you refer.—A. I have no doubt this is the check that was handed to me after the meeting of the March, in Boston, by Mr. Bushnell.

Have you any knowledge or information of any moneys of the ion Pacific Railroad Company having been paid directly or indirectly ecure the election of any Representative to Congress or Senator?—I have none whatever.

WASHINGTON, D. C., *February* 10, 1873.

CHARLES T. SHERMAN sworn and examined.

By Mr. SHELLABARGER:

Question. Were you one of the Government directors of the Union ific Railroad Company?—Answer. I was.

Q. During what time?—A. From the summer of 1864 to the summer 1867; the particular dates I cannot give.

Q. Had you any personal knowledge of the history and progress of surveys and location of that road during the time that you were a vernment director?—A. I had only a general information of the gress of the surveys which I derived from examination of the reports the engineers as they were from time to time made to the board.

Q. I find in Executive Document No. 2 of the Senate of the United tes, a communication to the Senate from O. H. Browning, Secretary the Interior, dated April 2, 1867, containing, among other things, a ort by Mr. J. L. Williams, Government director. I wish simply to l your attention to that report, and especially to the description of te No. 7, on page 18; also to what is said on page 24 of that report respect to its being the route finally adopted. And I wish to ask, , in regard to that, whether that pass, described in his report as No. is the one that was in fact established by the company?—A. (After mining report.) Yes, sir; it was the one adopted. It was known as ns's Pass. Previously, in common conversation at the board, it was own as the Cheyenne Pass. It is the pass where Cheyenne and Sher- n are situated. It is the pass which was ultimately adopted, and on ich the road was constructed.

Q. In another report by Mr. J. L. Williams, dated June 16, 1868, he udes to that location in these words: "In my report to you of 23d vember, 1866, the very advantageous route, at 90 feet maximum ade, across the first mountain range—the Black Hills—discovered ir extensive surveys continued through three seasons, was fully de- ibed." Now, I wish to ask you how fully the character of that route, described in the report which I have shown you, was known to the ection of the Union Pacific Railroad Company prior to the letting of Oakes Ames contract, on August 16, 1867?—A. My impression is t it was fully known to the board of directors, and to the parties in- ested in that contract.

Q. It appears somewhere in this report that the surveys made prior that date were quite full and were made by instruments—actual sur- s with levelings. Can you tell us, from your knowledge, whether that s the fact or not?—A. I so understood it. I had no personal knowl-

edge on the subject. The Government directors relied altogether on Mr. Williams, having full confidence in whatever he said.

Q. I find, in a report made by you and other Government directors, dated at New York, January 7, 1867, that you speak of the track of this road as laid three hundred and five miles from Omaha, and the necessary engines, cars, and stations furnished for immediate use, although not fully equipped; that the road has been accepted from the contractors, and steps taken for a settlement at $50,000 per mile, of which $5,000 per mile was for equipment, under the provisions of the Hoxie contract, referred to in your report of July 8, 1865, and you say: "The said contract was extended to the one hundredth meridian of longitude, by the executive committee, without the knowledge of any of the Government directors, the extension of the said contract not having been reported to the board of directors till October last. Such action, however, had been taken by the company as rendered the contract legally binding." What objection was made, if any, to the extension of the Hoxie contract to the one hundredth meridian; and what was the ground of objection taken on the part of the Government directors?—A. At the first meeting of the Government directors with the board, in New York, in the fall of 1864, the Hoxie contract came to our knowledge, having been executed by the board previous to our appointment. We then condemned it. That was as early as 1864, when the contract was only for one hundred miles west of Omaha. We condemned it, but under the circumstances, considering that it was made while the war was still existing, considering the high price of labor, and the want of means to transport iron and other materials to Omaha, except up the Missouri River, which was an uncertain way, and considering the consequently enhanced cost of materials, we concluded that we would simply protest against the contract in our report to the Secretary of the Interior, and let it go. But afterward, when we discovered that the executive committee had extended that contract 150 miles farther, without submitting it to the board, and without communicating or reporting it to the board, for nearly a year afterward, we did feel disposed to protest and to take some action on the subject. But why we did not, I cannot give the reasons now. We felt outraged at the time.

Q. What was the ground of that objection?—A. That the price was too large, too extravagant; it was $50,000 a mile, but it should not have cost the half of that. That was the ground of our objection.

Q. It is stated also in this report of yours that "it is expected that the Cedar Rapids and Missouri Railroad will be completed the present month through Western Iowa, which will save much expense, with more certainty in future for the transportation of materials." Do you recollect whether that completion was in fact effected as then expected?—A. I think it was.

Q. What effect had that facility of transportation on the construction of the Union Pacific Railroad?—A. It cheapened it very much, and rendered more certain the transportation of materials.

Q. When did you leave the direction?—A. In July, 1867, I think.

Q. In your report of March 2, 1867, I see this statement: "At a regular meeting of the board of directors just closed a contract was concluded for the construction of two hundred and twelve miles of the line extending from the present terminus to the base of the Rocky Mountains, at $42,000 and $45,000 per mile, which includes provision for ample equipment and stations." With whom was that contract made, and from what point?—A. That was the Boomer contract. Three hundred and five miles west of Omaha was fifty-odd miles west

the one hundredth meridian. I think the one hundredth meridian
wo hundred and forty-seven miles west of Omaha.
. Then this two hundred and twelve miles would begin some fifty-
miles west of the one hundredth meridian and extend to the base
he Rocky Mountains?—A. Yes.
. State what amount of money during your connection with the
was paid in on the stock of the Union Pacific Railroad Com-
y.—A. I do not think that there was more than $200,000 or $250,000,
5 or 10 per cent. (whichever it was) that the charter required. We
derstood that Dr. Durant furnished the money to build the road be-
Omaha, (for the first thirty or forty miles beyond Omaha it was a
y expensive road,) and that he got that expensive part about fin-
d from his own private means and with the money which the stock-
ders paid in, and then the Credit Mobilier began to appear. But
and why it appeared was kept as much concealed from the Gov-
ment directors as it could possibly be. We were not admitted to
ir confidence. But we knew that the road was carried on with an
rgy which none of us ever saw before, and it was perfectly satisfac-
y to us as representing the Government on that board.
. Prior to the beginning of 1867, was the road, so far as you knew,
economically constructed, and were its affairs as economically ad-
nistered, as could reasonably be expected under the circumstances?—
I think so, fully. The road was constructed in a very economical
nner, but, at the same time, in a permanent manner. The sub-con-
cts were let with a good deal of care and a good deal of cutting down
prices, so that the sub-contractors made but a fair profit.
. Were you personally acquainted with the manner in which the
scriptions to the stock of the company were paid in, and with the
nner in which dividends were made to the parties connected with
construction or with the government of the road prior to your leav-
the direction?—A. No, sir; I cannot say that I have any personal
rmation. We were aware that there was but little stock subscribed
, and but little money arising from the stock, and there certainly was
dividend on the Union Pacific Railroad stock. We were kept igno-
t of everything that the Credit Mobilier did. We did not wish to
quire any information in regard to it. In fact, from what little infor-
tion did come to our knoweledge we entered a protest against their
ceedings.
. I wish to state to you the prices at which the Oakes Ames con-
ct was let:

	Per mile.
e first 100 miles	$42,000
cond section, 167 miles	45,000
ird section, 100 miles	96,000
urth section, 100 miles	80,000
ifth section, 100 miles	90,000
xth section, 100 miles	90,000

mounting to 667 miles in all, and extending from the one hundredth meri-
n westward. State, from your knowledge of the surveys then made
reported to the board, as to the general character of the route, also
the means of transportation, and of the condition of the country, and
the amount of assets in the possession of the company, how these
es, agreed to be paid to Mr. Ames, would, in your judgment, com-
re with what would be a just price for the work.—A. From the
owledge I obtained while a director of the road, from the surveys
d the plats, and from my knowledge of the condition of the country out

there, I should say that these prices were double what they should have been, and that one-half of those prices would have given a fair and legitimate profit to a contractor.

Q. State whether, in your judgment, there would have been difficulty in procuring that work to be done with the assets that were then in the possession of the company, and with the knowledge which then existed as to the state of the route, the difficulties of construction, and everything else, in getting men of sufficient enterprise and experience to build the road at lower prices.—A. I think that, considering the condition of the road, the condition of the Government, and the standing in the market of the first-mortgage bonds, contractors might have been had who would have done the work for much lower prices. It might not have been possible for any contractor to have done it in so rapid a manner as Dr. Durant did it with his unexampled energy and goahead-ativeness; but I think that contractors might have been had who would have done it at the prices I have indicated.

Q. What were those prices?—A. Half the prices that you named. That is my general impression, and I think it was the impression which I had at the time.

Q. But you doubt whether it could have been done with the same rapidity?—A. Yes, unless Dr. Durant had undertaken it, for he could drive work better than any man I ever saw.

Q. Have you any knowledge of any influence being attempted, either by the bestowment of money or other thing of value, on any officer of the Government of the United States, or on any member of either House of Congress, in regard to legislation affecting the Union Pacific Railroad Company?—A. No, sir.

Q. Or in regard to the acceptance of the road?—A. No, sir. I never heard of any attempt to influence any person connected with the Government or with Congress during my services as a Government director. When the amended charter was obtained, in 1864, I heard rumors that money was used freely, but I know of no instance; and I never heard of a rumor of any officer of the Government being approached in an improper way during 1865, 1866, or 1867. After 1867 I was a perfect stranger to the road.

Q. There is some evidence in the record tending to show that some of these lettings were taken, with an agreement by which the directors who were stockholders in the Union Pacific Railroad Company (not Government directors) should have an interest in the contracts; (I think that that was true of the Williams contract.) Do you know whether the Government directors ever became a party to, or assented to, the arrangement whereby these directors of the company should have the benefit of, or any part in, the contracts for the construction of the road?—A. No, sir; the Government directors invariably voted against the Boomer contract; and I recollect that we called the yeas and nays on the Williams contract, (which was rather an uncommon thing in the board,) and we five voted square against the Williams contract. I think Mr. Cisco and one other company director voted with us. I think the vote stood seven to thirteen. We voted all the time and protested all the time against these contracts; and our principal ground of opposing them was that we knew that a large portion of the directors of the Union Pacific Railroad Company were parties to them, being members of the Credit Mobilier; I think the majority of the directors were.

By Mr. HOAR:

Q. Who were your associates as Government directors?—A. Under

the act of 1862, providing for two Government directors, Mr. Harbaugh, of Pennsylvania, and Mr. Carter, of Illinois, were appointed directors. The amended charter of 1864 provided for three others, and Mr. George Ashmun, of Massachusetts, Mr. Jesse L. Williams, of Indiana, and myself were appointed the three additional ones.

Q. Are you able to state, with some accuracy, at what time this first meeting at New York took place?—A. My recollection is that I was appointed within a few days after the passage of the amended charter, which, I think, was in July, 1864. I should say that the first meeting in New York was in October or November, 1864.

Q. Had the Hoxie contract been extended over the second one hundred miles when you took your seat in the board?—A. No, sir.

Q. That was done, according to the testimony before us, by a proposition made on the 5th of October, 1864.—A. My impression would be that the extension of the Hoxie contract was not till 1865.

Q. The proposal for the Hoxie contract was on August 8, 1864. It was ratified by three directors, for the first one hundred miles, on 23d September, 1864; then, on the 4th October, 1864, Hoxie proposed by H. C. Crane, his attorney, to extend it one hundred miles, and the proposition was accepted on October 3, 1864. There does not seem to have been any written contract by which that other forty-seven miles was built by Hoxie.—A. It was probably done by a verbal agreement.

Q. Did Hoxie ever, in fact, do any work under the contract?—A. No, sir; he was a merely nominal party. I think he was United States marshal in Iowa, and I think he acted as ferryman in ferrying freight across the river. He never did a particle of work. He was not known on the line.

Q. Was there not one Government director on the executive committee?—A. Yes.

Q. Who was he?—A. Mr. Harbaugh.

Q. Did not Mr. Harbaugh assent to that transaction? Are you not in error in stating that all voted against it?—A. No, sir. I am perfectly confident that Mr. Harbaugh voted with the rest of us. We all acted together always. The extension was authorized, I think, by a sub-committee of the executive committtee, and Mr. Harbaugh was not on it. I think that Mr. Harbaugh knew no more about it than the rest of us.

Q. Are we to understand that, down to the fall of 1866, when the work under the Hoxie contract was completed, the Government directors protested against the whole proceeding, on the ground that the company directors had an illegal interest in it?—A. No, sir; there was very seldom an opportunity to protest, because the Hoxie contract was considered valid and binding on the company. The road was built a number of miles beyond the Hoxie contract before the Williams contract came before us; and that was the time that we voted against it and objected to it, for the reason principally of the high prices.

Q. But were you not aware that the Hoxie contract was a contract in which a large number of the directors were interested?—A. We knew that the Hoxie contract had been assigned to the Credit Mobilier, of which a large number of the directors were members.

Q. And all the work that was done up to 1866 was done under that contract?—A. I think so.

Q. Did all of the Government directors understand at that time that this was a contract by which the directors of the Union Pacific Railroad Company, or a majority of them, were making a contract with themselves or with a company in which they were largely interested?—A. Yes.

Q. Did the Government directors object to this Hoxie contract?—A. Yes.

Q. What acts of objection or protest did they use to manifest their opinion?—A. By a report of June, 1865, we set out the Hoxie contract in full to the Secretary of the Interior and stated our objections to it, after which we acquiesced in it.

Q. Were you further informed of the fact which you have stated, that substantially no capital stock had been paid in except some few hundred thousand dollars?—A. Yes, sir; I got that information during the course of my service.

Q. And you are also informed that the directors, representing the stockholders, represented a fictitious and not an actual stock?—A. It could hardly be called a fictitious stock.

Q. It was a stock which had not been paid in, according to the organic act, in cash in full.—A. A majority of the stock was subscribed by Dr. Durant and his friends, Mr. Bushnell and his friends, and Mr. McComb; and five per cent., or whatever amount the charter required, was paid in in money, and then regular calls were issued on that stock for additional payment; but whether they have been paid I do not know and did not know.

Q. Was your attention called to the fact of the legality of the existence and government of a corporation that required its entire capital stock to be paid in in money, or to be called in by the directors at intervals not exceeding six months, at a certain percentage on the stock?—A. Our attention was called to the requirements of the charter, and we saw that regular installments were called in, but we did not see that they were paid. We supposed they were paid because we knew that Dr. Durant was using his own private means to far more than the amount of the subscriptions of himself and friends.

Q. I thought you understood that there was only $200,000 paid?—A. In cash. The organic act, as I understood it, required money.

Q. Did you report to the Government that fact, or did you not regard it as a fact of any importance?—A. I cannot say whether we reported that or not.

Q. Did you regard it as a fact of any importance as affecting the legality of those transactions?—A. Our attention never was called to it. If our attention had been called to it we would have said that it was material.

Q. Both acts, of 1862 and 1864, provided that the capital stock should be actually paid in in full in money. Now, when you left the direction, about how much nominal capital stock was there?—A. I had a general knowledge that the capital stock was not subscribed, only just the minimum amount.

Q. You understood that the contractors under the Hoxie contract and under the Boomer contract agreed to take a certain proportion of their pay in stock?—A. Yes.

Q. And you understood, I suppose, that in graduating the price the stock was not treated as worth a hundred cents on the dollar by either party, but that it was treated as of less value in fact?—A. I do not recollect how the payments were to be made in the Hoxie contract, and I do not recollect ever having seen the Boomer contract; but I consider the $16,000 per mile of first-mortgage bonds of the company and the $16,000 of Government subsidy was worth more than the price of constructing the road.

Q. So that, if the corporation had been dealing with a stranger and had had its capital stock all paid in in cash, you would not have thought

be necessary to have parted with any of the capital stock or the which it represented?—A. No, sir; not a particle.

Then it would be clear, would it not, that the parties to the trans-on, when they took capital stock in addition to the amount of bonds, not regard that capital stock as of any value?—A. I cannot tell they considered it.

I want to know how you considered it at the time as one of the ernment directors; did you consider the capital stock that was g parted with by the company as getting for the company what worth one hundred cents on the dollar in cash?—A. No, sir; the on Pacific Railroad Company's stock was not worth 10 cents on the lar at that time in open market.

You did not at the time understand that the company received for stock which was parted with to those parties, either in cash or thing else of value, what was equivalent to one hundred cents on the lar in cash?—A. Not if the contractors took stock; I have no dis-t recollection as to the contents of those contracts; the Boomer tract I never saw, and I do not recollect the particulars of the Hoxie tract.

If it were true that the contractors took stock as part payment of contract, would not that be a failure to comply with the provisions the organic act which required the stock to be paid in full in money?—I suppose so.

Can you tell us whether your attention was at that time called to failure to comply with the law, and whether you regarded it as un-portant, or whether you did not at the time know the fact?—A. I not answer that without recurring to the report of June, 1865, which made to the Secretary of the Interior on the subject of the Hoxie tract.

Have you now any doubt that you knew at the time that stock taken by these contractors under the circumstances which you have ted?—A. I answer that by saying that I do not recollect the terms the Hoxie contract.

Do you know whether you knew them at the time?—A. Yes; I w at the time whatever the terms were.

But about the Boomer contract you cannot say?—A. No, sir.

Do you know whether the other Government directors knew about Boomer contract?—A. I think not.

Did no Government director serve on the special committee that de the Boomer contract?—A. I never heard of any.

Do you know by whom the Boomer contract was made?—A. I derstood it was made in Chicago by Dr. Durant and Mr. Boomer.

Was it made by Boomer with the Union Pacific Railroad Com-y, or by Boomer with the Credit Mobilier—the Credit Mobilier con-cting with the Union Pacific Railroad Company?—A. I cannot say; ave no personal knowledge of it at all.

It seems to have been made under an offer by Thomas C. Durant, , accepted by L. D. Boomer. It does not say whom Durant was ct for?—A. Yes; and therefore I cannot say whether it was made by Credit Mobilier or by the Union Pacific Railroad Company.

So that you cannot tell who was the party contracting with the on Pacific Railroad Company for so much of this road, as it is not raced in the Hoxie contract?—A. No, sir.

You say that something about this contract was kept concealed the Government directors?—A. The transactions with the Credit bilier. The word concealed is too strong a term. We had no desire

to know anything about the Credit Mobilier. We never made any in
quiry about it, and knew nothing about it, and therefore we did no
know the particulars.

Q. But if a majority of the other directors, controlling the executiv
committee, (which I understand they had appointed before you cam
into power,) were making a contract with themselves which you re
garded as made for too large a price, why had you no desire to know
anything about it?—A. We did not wish to be connected with it.

Q. Was it not your official duty as Government director to be brough
into connection with such transactions?—A. We acquiesced in th
Hoxie contract for reasons set forth in our report to the Secretary of th
Interior, and any contract made after that we stood ready to veto. I
the Williams contract had been carried out, and if Dr. Durant had no
got an injunction against it, we should have got some similar proceed
ings against it. That was the only contract that was entered int
formally by the board while I was a director.

Q. Did any of the Government directors have any difficulty wit
these gentlemen on the subject of compensation for their services whic
led to a hostile feeling on their part?—A. Not at all; it was just th
other way. At the first meeting of the board in the fall of 1864 a com
mittee was appointed which fixed our compensation at so much pe
day while we were engaged in the business of the Union Pacific Rai
road Company, and Mr. Jesse T. Williams considered it too high. H
always said it was more than we ought to have. The price fixed wa
$10 a day and our expenses paid while we were in New York. W
always took that amount freely. There was no personal ill-feeling at a
The compensation was considered very liberal.

Q. You say that the construction of the road was perfectly satisfa
tory to you as representing the Government?—A. Yes; the manner i
which it was constructed.

Q. For promptness and thoroughness?—A. Yes.

Q. You say that the sub-contractors made only a fair profit?—
Yes.

Q. Have you had any experience, personal or by observation, in ra
road-building?—A. No, sir; I cannot say that I have, except a gener
knowledge.

Q. What per cent. of profit would seem to you a reasonable profit
be made by a railroad contractor, considering the risks encountered?

The WITNESS. Do you mean a sub-contractor or a general contracto

Mr. HOAR. I mean a general contractor.—A. I would have been p
fectly satisfied if these men had taken 100 per cent. profit on the amou
of capital employed by the contracting company, and I should not ha
complained if, under the circumstances, they had taken 200 per ce
profit.

Q. Two hundred per cent. on what?—A. On the amount of the ca
tal of the contracting company.

Q. That is, if, at the beginning of your official term, in the fall
1864, you had been assured that that road could be built by a per
who should receive a profit of not over 100 per cent. on the capital e
ployed, you would now, looking back to it, say that you would be sa
fied with yourself if you had made a contract at that price?—A. Y
sir; provided the road had been constructed with the rapidity tha
was constructed.

Q. Can you give us any information as to what the profit actu
was?—A. No, sir; I have only the same knowledge of it as you ha
from the profits which it is said the Credit Mobilier got.

Q. If it should turn out that the profit of the Credit Mobilier was twelve or fifteen million dollars on a piece of road that cost thirty millions to construct, should you regard that as an extravagant profit?—A. No, sir; I should not.

Q. You would consider it a moderate and reasonable profit, considering the risk and circumstances?—A. Yes, sir.

By Mr. SLOCUM:

Q. In speaking of what you think the contract could be got for, you say it could have been got for one-half of the prices charged in the Oakes Ames contract. Your estimate, I suppose, is cash?—A. Yes, sir; the estimate is cash.

Q. You have no knowledge of how that amount in the Oakes Ames contract was made up, whether in bonds or in stock?—A. I do not know. All those transactions were after I left the board.

Q. What do you consider would be the difference in the cost of building the road—whether it is done with the ordinary rate of speed, or double the ordinary rate of speed?—A. The increased rate of speed would undoubtedly increase the cost ordinarily; but having a knowledge of the contract for the laying of the track and the transporting of the materials, the ties and iron, which was done by a gentleman from Ohio, I think I might state that he got no more for laying the track, when he laid two or three miles a day, than when he laid half a mile a day. I speak of General Casement, the sub-contractor.

By Mr. HOAR:

Q. When you left the direction in the summer of 1867, had the first-mortgage bonds of the company any well-defined market value?—A. I think that in 1867 they were quoted on the stock market somewhere in the region of 85.

Q. Did they, or did they not, obtain that value chiefly from being taken and divided, and held in large quantities by this association of wealthy capitalists?—A. It might be so, because it was a very strong association.

Q. Suppose your protest against giving the contract to the Credit Mobilier had been successful, and suppose the Union Pacific Railroad Company had presented itself to the general public to obtain contracts for building that road, and had said to the contractors whose bids it invited, "We can pay you with our first-mortgage bonds and with our Government bonds and our stock," would or would not those securities have been, in your judgment, sufficient to have satisfied contractors?—A. That is a matter of conjecture altogether, but I think that those first-mortgage bonds could always have been used at 80 and upwards; I admit that the Credit Mobilier was a very strong combination, and without that combination, or a similar combination, I do not think the Union Pacific Railroad would have been built to this day.

Q. Why not?—A. Dr. Durant and his New York friends had about used up all their available means; and this association was formed, and the road went on with great rapidity afterward. Had not this association been formed, the work would have stopped in sixty days.

Q. Do you think that such a combination would have been obtained to build it without the assurance of a profit of fifteen or twenty million dollars?—A. I think there would have been. I always thought the profits excessive.

Q. I understood you to say that a profit of fifteen millions was not excessive?—A. I think the profit was a good deal more than fifteen millions.

Q. Suppose that road actually cost thirty millions, do you think that an association of capitalists could have been got to build it under the circumstances existing at that time, taking their pay in the way these men did, and taking the condition of the country into consideration, at a less profit than fifteen millions, on an expenditure of thirty millions?—A. No; it would not have been too large a profit.

Q. Without the aid of such an association of capitalists as we have supposed, I understand you to say the work would have stopped in sixty days?—A. I think so, at one time.

Q. If the road had stopped at any time before its final completion, would it not have practically destroyed the value of the first-mortgage bonds?—A. No, sir; not necessarily, because the country, up to the hundredth meridian, is a very fine and productive country, and would almost sustain the road itself. At least it would pay the interest on the first-mortgage bonds without any through traffic. It would not have paid anything more.

Q. This observation of yours is a confirmation of the opinion just expressed by you, that there was an absolute value to those first-mortgage bonds which did not depend upon the support which those gentlemen gave to them?—A. I think the bonds could have maintained that price.

Q. The point of all this inquiry is to see whether those gentlemen did or did not furnish to the road anything more than a contractor would have furnished in the ordinary course of business; whether they did add to the capital which they put in, their own vast personal credit which they called into the service of the company. That, I understand, is the claim made on their side, and I want your judgment upon it.—A. I think it is correct. They were purchasing supplies and materials very largely. When such men as Oakes Ames, John B. Alley, Sidney Dillon, Mr. Bushnell, and Dr. Durant were joined together, their names and influence would be a guarantee to all persons supplying materials that they would be paid.

Q. You understood that they furnished a credit which the company itself could not have furnished?—A. Yes, sir.

Q. You say you are of opinion that they got a larger profit than fifteen million dollars. Are you able to furnish us with any means to ascertain how they received that profit, except so far as it is indicated by the dividends of the Credit Mobilier to its stockholders, and by the dividends of the trustees to the stockholders?—A. That is all; and that is only by report.

Q. Then the substance of your opinion is that, provided those dividends should appear not to exceed twelve millions (I put it at fifteen millions in my other question, but I now put it at a more moderate figure) on an expenditure of thirty millions, you would say, as the result of your observation, that that was not an unreasonable profit, and that as circumstances then stood, the Government could not have got the road built for less?—A. I would say that, assuming what I should think was the cost of the road, a profit of twelve or fifteen millions would not be a large profit; but I am pretty confident that the profit was largely in excess of that. I should treat the Government bonds and the first-mortgage bonds in the hands of the contractors as cash. The stock would not.

By Mr. SLOCUM:

Q. These land-grant bonds are really a third-class security, are they not?—A. They are a third-class security on the road, but a first-class security on the lands.

Q. Do they take precedence of the first-mortgage bonds, so far as the land is concerned?—A. We always thought so. It would depend on the wording of the law.

Q. Is not the first mortgage a lien upon all the property of the company?—A. I do not recollect the phraseology of the law on that subject. The Government directors talked of it once, and we considered, without looking at the law, that the land-grant bonds were a third lien on the road and road-bed and right of way and equipments, but were a first lien on the lands. We did not, however, give it a critical examination.

By Mr. SHELLABARGER:

Q. What was the effect of the ascertainment of the favorable character of the route which was adopted through the Rocky Mountains on the prospects of the company?—A. It was very cheering and encouraging.

Q. Was not that route much more favorable than was expected at the time of the Hoxie contract?—A. Yes, sir; much more favorable.

Q. Now state what the assets of the company were which were valuable to give it credit with contractors at the date when you left the direction?—A. They were the increased subsidies of the Government and corresponding increase in the first-mortgage bonds of the company, and the naturally enhanced price of the lands through Nebraska. The surveys in 1866 established the fact that the construction of the road through the mountains where the Government had given thirty-two and forty-eight thousand dollars a mile would be very easy and simple, and not much more, if any more, expensive than the construction of the road on the plains.

Q. With such prospects, such known routes, and such assets, would it have been difficult for that company to have gone into the public market and have secured contracts at ordinarily favorable cash rates?—A. I think not. I thought there was no excuse for the large amounts which I subsequently heard were paid under the Oakes Ames contract.

Q. With such assets as those which you have been describing, first, the subsidies, second, the land-grants, and third, the priority given for the first-mortgage bonds, you think that it would have been a just and judicious contract to have allowed such profits as you have described—one or two hundred per cent.?—A. No. When I made that answer I took into consideration the whole road from Omaha to Salt Lake. The first one hundred miles was built or commenced while the war was still existing, and when there was no way to get material and supplies to Omaha, except by the uncertain navigation of the Missouri River. That fact, together with the uncertainty of Government and of all sorts of securities, would have justified the large compensation to contractors who had undertaken to build the road to Salt Lake; but after the road was built to the eastern base of the Rocky Mountains, and after the condition of the country became settled, and the value of those securities became well known, I think that those prices, from $50,000 to $90,000 a mile, were excessive, and were not, in your language, judicious; and if the old board of Government directors had continued through 1867, I do not think the Oakes Ames contract would have been executed. But we were changed, and of course we knew nothing about it, and men who were not familiar with the road were put in our places.

By Mr. HOAR:

Q. In making your estimate what have you supposed to be, in round numbers, the entire cost of the road—1,032 miles?—A. As things

turned out by the surveys over the mountains, I think that $40,000 a mile from Omaha to the terminus of the road would have been sufficient.

Q. That would make over $40,000,000. Do you think the road could have been built and equipped for that?—A. Yes, with ordinary equipment. One of Mr. Williams's objections to the Hoxie contract was that it provided for about $5,000 a mile for equipment. Mr. Williams contended that it should be $10,000 or $12,000 a mile; and I understand he says the road never has had the necessary equipment.

Q. Forty thousand dollars a mile for that one thousand and thirty-two miles would amount to $41,280,000. Assuming that to be the cost of the road, do you know of anything which the contractors received for constructing it, other than the entire capital stock of the company, and the entire proceeds of the first and second mortgage bonds?—A. And the land-grant bonds.

Q. Did any portion of the land-grant bonds go to pay the contractors; did they not all go to the interest account?—A. The land-grant bonds were not issued till after I left. I have no personal knowledge about them.

Q. Assuming that the contractors got twenty-seven millions of first-mortgage bonds and twenty-seven millions of Government bonds, which would be fifty-four millions, and assuming the Government bonds to have been sold at ninety-five cents on the dollar, and the first-mortgage bonds at an average of eighty-five cents, that would make $48,600,000. Now, was the capital stock at the time those gentlemen took it in their contract for the road worth more than thirty cents on the dollar?—A. No, sir; I do not think it averaged that.

Q. The capital stock of $36,000,000 at 30 per cent. would amount to $10,800,000. Adding that to the $48,600,000 would produce $59,400,000. Now, suppose those gentlemen had got for the construction of the road the entire proceeds of the capital stock, the first-mortgage bonds, and the second-mortgage bonds, and that all those proceeds were worth $59,400,000, and that the road cost them $40,000 a mile, which you think was a fair price, and which would amount to $41,280,000, that would leave a profit of $18,120,000. Do I understand you to say that you would not regard that as an unreasonable profit under the circumstances?—A. That is more than I should allow. I say now that I should not have complained of a profit of from $10,000,000 to $15,000,000. I think that a profit of $18,000,000 is more than it should be.

Q. I understood you to say that, taking the whole road into consideration, you regarded a profit of one hundred per cent. as not unreasonable, and you also mentioned two hundred per cent. But, in reply to another question, you said that fifty per cent. would be moderate. Now, the profit which I have given is a profit of little more than forty per cent.—A. When I spoke of one hundred per cent. I did so without the aid of your figures, or of any figures. But I had an impression that the contractors had made a profit of twenty or thirty millions of dollars, and I thought that that would be too much. I would be willing to give ten or fifteen millions under the circumstances, but when I spoke of one hundred per cent. profit I was probably wrong.

Q. Whether the profit was unreasonable or not would, in your judgment, depend upon the unusual character of the risk. Suppose that the circumstances were as supposed in Mr. Shellabarger's question, that is, that they had got the surveys which gave them a knowledge of the character of the Evans Pass, was there any additional risk in building that road, so far as you know, occasioned by its being in a remo

country, or occasioned by any danger of Indian hostilities?—A. I think there was no danger of Indian hostilities after 1865.

Q. You think that that danger had terminated?—A. Yes, after 1865.

Q. Was there, in your judgment, any danger to a contractor occasioned by the fear that those first-mortgage bonds would sink in value under sudden panics, or commercial changes, or were they an established security which would be sure to maintain themselves year in and year out as stocks in a first-class bank or a first-class railroad?—A. For a year or two after the war we were always uncertain. We did not know when a money panic would come up.

Mr. HOAR. I want to be quite certain to get before this committee every consideration which we ought to weigh, and therefore I have put questions tending rather to one side of the case, with a view of bringing them to your notice as an impartial witness. Now, what I want to know is, whether in the fall of 1867 a good prudent business man and railroad contractor would have regarded a promise to pay him in the first-mortgage bonds of the Union Pacific Railroad Company as something which involved no greater risk than a promise to pay him in ordinary stocks which have a certain value, which they maintain year in and year out, or whether these bonds were a security of a more hazardous nature?—A. They partook of the hazardous nature of all railroad securities, but they were not, in the language of insurance men, extra hazardous, by any means.

Q. Can you give us any light upon that point, whether a prudent man would have had, and had clearly, a right to add something to the profits by reason of the character of the thing in which he was to take his pay?—A. These first-mortgage bonds were averaging over 80, and I think they were of such a character and standing in the money circles of the country that any prudent, careful contractor would have risked them, and been perfectly willing to receive them at 80, and that was about the average price.

Q. And the Government bonds were above that price?—A. I do not know. I heard Mr. Cisco say that after the Secretary of the Treasury had issued the order about using them for banking purposes, they had gone down. There is another thing to be taken into consideration as establishing the value of these securities. The Secretary of the Interior, Mr. Browning, told us, and leading members of Congress also told us, that the public required the road to be built, and that the Government required it to be built, in the most speedy manner, and that all that they wanted was, that the company should never call upon Congress nor on the Government for anything more, but that they were willing to spend that. I heard Mr. Browning say so very frequently.

Q. Do you say that that communication was made known to the directors of the company?—A. No, sir; it was universally known through the country. There was no subject in those days, from 1862 to 1868, that was more looked at by the public than the building of the Pacific Railroad, and the public was willing that this money should be spent, provided the road was built and that the Government was not called on for anything more.

Q. To whom do you mean to say that Mr. Browning told this?—A. To the Government directors. We had frequent interviews with him, and he enjoined on us to urge the construction of the road forward.

Q. And said that all the Government cared for was that it should not be called on for any further appropriation?—A. Not only the Secretary of the Interior said this, but leading members of Congress whom we consulted.

Q. Do you know whether that communication from Mr. Browning was known to your associates on the board who were not Government directors?—A. It was not communicated to them by us. This was mere verbal conversation with us, and we never communicated it to them; but it influenced our action.

Q. You do not know whether the other directors received the same communication or not?—A. No; I know that we never communicated to them, because we were watching the Credit Mobilier, and watching to get low prices.

Q. Did you, so far as you recollect, report the mode in which this provision of law, that the capital stock was to be paid in cash, was obeyed or evaded?—A. No, sir; I do not think we ever considered it at all. We took early action to have the subscription-books opened in every city of the Union, and advertisements published, but no stock was subscribed.

Q. You considered that if the road was built honestly, and at a reasonable profit, it was of no great consequence whether that provision of the law was literally complied with or not?—A. It was of no great consequence, because there was a comparatively small amount of stock subscribed. We caused books to be opened in the principal cities of the Union, and expensive advertisements published of the opening of those books, and I believe that not a dollar was subscribed. That was in the spring of 1865. We considered, therefore, that the idea of building the road by means of subscription of stock was a failure. Public opinion demanded that the road should be built, and built quickly, and our particular aim was to urge it on. We always congratulated ourselves that the Government directors had expedited the building of the road, and that it was built a year or two sooner than it otherwise would have been.

Q. How did Government directors expedite it?—A. By frequent visits out there, and by urging on the contractors and Dr. Durant, by our counsels, and reasons, and arguments.

Q. You think that this remarkably quick construction of the road is something in the credit of which the Government directors have a right to share?—A. Yes, sir; they are entitled to some credit for it. That was our particular effort, because we believed that we were advancing the wishes of the Government, and we knew well that we were advancing the wishes of the public.

Q. And in taking that course, your associate Government directors were of the same opinion that you now express, and regarded it as in pursuance of express directions from Mr. Browning?—A. Not of express directions, but of wishes expressed by him in private conversation. There never was any official notification issued in that respect by the Interior Department, but Mr. Browning talked it over with us occasionally.

By Mr. ASHTON, (representing the Government:)

Q. Where did the directors meet in New York?—A. In the first place in William street, opposite Delmonico's, and afterward at 30 Nassau street. We had rooms there, and the Credit Mobilier had rooms also.

Q. Have you been over the road lately?—A. No, sir; I have not.

Q. Do you know its condition?—A. No, sir.

By Mr. HOAR:

Q. Mr. Poppleton asks me to call your attention to the fact whether in July and August, 1867, two of your engineers were not killed by Indians, near Cheyenne, and whether some of your conductors were

killed and scalped, and trains burned?—A. I recollect the fact that he alludes to, but I think it was before that time.

Mr. POPPLETON. The train was burned on the 7th of August, 1867, and Mr. Hills, the engineer, was shot by an Indian on the 3d of July, 1867.

WITNESS. I spoke only from recollection. My recollection of the Indian troubles was in 1865, when the surveying parties were driven from the Black Hills by Indians. I know that there were some items of expenses for employing Pawnee Indians in guarding the surveying parties. My impression was that it was in 1865.

WASHINGTON, D. C., *February* 11, 1873.

HORACE F. CLARK recalled.

By the CHAIRMAN:

Question. At the time, or shortly before, you became president of the Union Pacific Railroad Company, how much stock did you purchase?—Answer. I purchased upward of 25,000 or 30,000 shares. I think I purchased, with some friends, perhaps 40,000 shares in all.

Q. Can you state to the committee from whom that stock was acquired?—A. I took a "call" for, I think, 24,000 or 25,000 shares, at sixty days. I took that call before the books were closed for the election of March, 1872; and I made the call. This was in addition to the stock bought in the open market.

Q. The short of it is, you bought 25,000 or 30,000 shares, and made a contract by which you were entitled to buy in 24,000 or 25,000 shares more?—A. Yes; in conjunction with friends.

Q. With whom did you have this transaction, which you have denominated a call?—A. That call was negotiated, I think, with Mr. Morton, of the firm of Morton, Bliss & Co. The parties interested in the call with me were Mr. Augustus Schell and Mr. James H. Banker, of New York. The signers to the call were several. I do not know who, in all cases, were behind them. I can name some of them.

Q. Please to name them.—A. Mr. Morton was one of them. There was a Boston house, whose name I do not recollect. I think that Mr. Duff was one of the men who signed the call. I think Mr Oakes Ames was one. I think that Oliver Ames & Sons and Samuel Hooper & Co. were signers to the call. I think that F. Gordon Dexter was one, and a house in New York, whose name has escaped my memory. I made the call, and took the stock.

Q. Those parties, whom you have named, were they the parties who were to furnish you with the stock when you called for it?—A. They undertook to deliver me that stock at a fixed price at the expiration of sixty days, on a day certain.

Q. What was the price at which you were to take that stock?—A. I think at 30, but I may be mistaken. It was somewhat less than the market-price, as is always the case with calls.

Q. Did you call for that stock before or after the election of March, 1872?—A. After; because I would not have made the call if the election had resulted otherwise than as it did.

Q. What object did you have in view in making this purchase of stock and in becoming president of the Union Pacific Railroad Company?—A. I am connected with a line of railroad leading from the Missouri River through Chicago, Cleveland, and Buffalo to Albany and Boston. I was

president of the Lake Shore and Michigan Southern Railway Company, which fills up the gap from Chicago to Buffalo. I was a director in the New York Central and Hudson River Railroad Company, which fills up the gap between Buffalo and New York. Mr. Scott had previously been the president of the Union Pacific Railroad Company. He represented the Pennsylvania Railroad, which is an opposition line to the lines with which I am connected. From Chicago they reach the sea-coast by Philadelphia, by the Fort Wayne road. My object in interesting myself in the Union Pacific Railroad Company was to share in the traffic arrangements. We might get none of the traffic of the Union Pacific Railroad Company by the way of our lines if the control of that road was in the hands of a competing line. That was the inducement. My inducement to make the call was that (never taking any compensation in the way of salary) I wanted the advantage which would result from the participation in the traffic of this railroad. Boston is reached by rail through our lines; it is not reached by continuous rail through any other lines. It seemed to me as if tea and silks, and various articles of merchandise, could be carried to Boston, which is a great point of consumption, and a great point of export by rail, if the rail-line to the sea-board was open. My object in making the call was that I might share in the prosperity of the road, which would result from the opening of this rail-line; and I made the call. Whether the parties who sold me the call had the stock or not, was a point which I did not inquire about. They were responsible parties, and if they did not have the stock they were bound to buy it in the market. My object in having anything to do with the line was in connection with railroad traffic. I knew nothing about the Credit Mobilier. I had heard that there had been a construction ring in that road, but what had been the effect of it I did not know. My object in taking the call was to get the advantage, which some thought might result from the increase in the value of the stock, from the change of administration.

Q. Was it your purpose in making that purchase of stock, or was there an arrangement when the stock was purchased, that you should become president of that road?—A. There was.

Q. By whom was that arrangement made?—A. I think the negotiations for that arrangement were made between Mr. Morton and Mr. Banker.

Q. Who were the parties behind them?—A. I do not know them all. I think that among the parties were some of these Boston parties. Mr. Morton only became responsible under the call to a limited amount. The Messrs. Ames joined in the call, but in what sums I do not remember. The total amount was 24,000 or 25,000 shares, at 30.

Q. The arrangement which was made for that purchase of stock resulted in your coming into the presidency of the road?—A. Yes; because then I said to the stockholders that I would take their proxies, and the stockholders sent their proxies to me. I had not, with my friends, stock enough myself to control the election, or anything like it.

Q. Do you know whether, the year preceding, Mr. Scott became president of the road, under a similar arrangement?—A. I know nothing about it. I have heard statements about it, but I have no knowledge on the subject.

By Mr. HOAR:

Q. State how many lines there are in the East taking traffic from the interior to the sea-board which would be properly denominated great competing lines.—A. In the first place, take the lines from the Missouri

r east to Chicago, the great competing point; there are two lines ilroads—the Chicago and Rock Island and the Chicago and North- ern Railroad Companies, of about equal length, running substantially llel with each other. There is another line, which at that time had ctual connection with the Union Pacific Railroad. That is the Chi- , Burlington and Quincy Railroad; but that connection has since made, so that in fact you may say that there are three competing from the Missouri River to Chicago. On reaching Chicago there four competing lines for freight—the Lake Shore and Michigan hern Railway, connecting with the New York Central and Hudson r at Buffalo, and at Albany with the Boston and Albany Railroad Boston. In that line I have an interest. There is the line connect- Philadelphia with Chicago by the Fort Wayne and Chicago Rail- . By the acquisition by the Pennsylvania Railroad of the New ey roads, that line reaches Jersey City. There is the line from Chi- by the Michigan Central, connecting there with the Grand Trunk way around to Portland and Boston. And in addition there is the by the Michigan Central, from Chicago to the Detroit River, there ecting with the Great Western of Canada, and meeting at Suspen- Bridge the New York Central and the New York and Erie. From ine of the Lake Shore and Michigan Southern Railway there are ral diversions. In Ohio, east of Toledo, a diversion takes place to Baltimore and Ohio road, which reaches the sea-board at Baltimore. ing on east to Cleveland, you reach the Ohio River by another ection. At Erie, Pennsylvania, there is another diversion by the adelphia and Erie to Philadelphia. At Dunkirk, in New York e, on the Lake Shore road, you strike the Dunkirk terminus of the Railway.

I only want to get some general notion of the competing lines hing the sea-coast at Portland or by the Saint Lawrence River, at on, New York, Philadelphia, and Baltimore—the competing lines ecting with the Union Pacific Railroad Company.—A. I complete statement as to sea-board lines when I say that from Buffalo east New York Central and the Erie Railway are the great competing . The lines to Massachusetts are by the Grand Trunk and the York Central. The Baltimore and Ohio makes a line to New land by propellers from Baltimore; and the Pennsylvania road also es a line to New England from its terminus in New Jersey.

. Then, for such of the commerce of Europe as should go over the on Pacific Railroad there would be in the course of business a com- tion between the Saint Lawrence River, Portland, Boston, New k, Philadelphia, and Baltimore as the points of export?—A. Yes; er as the points of export or of import.

. Would the possession by either of those lines of the control of the on Pacific Railroad give it the advantage over its competitors, if it e to exercise that advantage?—A. Boston is a great place of ex- , and is a place of considerable import; but New York is the great t of import; and the interests of the Union Pacific Railroad Com- would be subserved by having her immediate freight connections those ports at which there are the largest imports.

. I repeat my question: Would the possession of the control of the on Pacific Railroad by any one of those lines give that line an ad- age over its rivals and competitors; and could it use such advan- to the detriment of its rivals?—A. Not by fair action.

Could it by any action?—A. I think it might by a discrimination tes.

Q. Should you have regarded the continued possession and control of the Union Pacific Railroad by Mr. Scott as rendering it possible that the roads that you were interested in might suffer in that particular?—A. Perhaps so; but I do not know that any unjust advantage was taken during his administration, and none has been taken since. The through freight is squabbled for on the west coast and beyond. The road has been open, without discrimination, to all the lines. The Boston merchant, for instance, would direct that his consignment of tea should come by that line by which it could reach him with an unbroken rail.

Q. Therefore, if it required a breaking of the rail to take the tea to Boston, and did not require a breaking of the rail to take it to Baltimore, and if there was a competition for the export of tea to Europe, Baltimore would get the advantage to that extent?—A. Baltimore would get it provided the course of trade put her on a level with New York and Boston; but it does not. The Boston merchants get some tea by rail. It also comes to them by Cape Horn.

Q. Mr. Sherman, formerly Government director of Union Pacific Railroad Company, stated last night that he was of opinion that, if that road had never been completed through the Rocky Mountains, the portion embraced in the Hoxie and Boomer contracts—that is, all up to the beginning of the Oakes Ames contract, and some portion beyond—would have furnished local traffic sufficient to pay the interest on the first-mortgage bonds. What is your opinion in regard to that?—A. I think he is mistaken on the subject, and that the statistics of the traffic of the road would prove it.

Q. My question to Mr. Sherman was for the purpose of learning whether the first-mortgage bonds would have had any value if the road had not been entirely completed?—A. I do not think they would have been of value. I do not think that any part of that road can even now earn, with its local traffic, enough to pay its running expenses without incurring the hazard of crushing out that traffic by extravagant prices.

WASHINGTON, D. C., *February* 11, 1873.

PETER A. DEY recalled and examined.

By the CHAIRMAN:

Question. Please state again when you became chief engineer of the Union Pacific Railroad.—Answer. On the 30th of December, 1863.

Q. How long did you continue?—A. I resigned the 30th of December, 1864.

Q. How much of the line did you examine as the engineer of the company during the time you acted as such?—A. I examined the whole line from Salt Lake Valley to Omaha. I did not get the instrumental surveys of a point between the hundredth meridian and the foot of the Black Hills. I did not do that, because it was a level plain, and I preferred devoting my time to those parts of the road where an examination was necessary.

Q. On this portion of the line where you say you did not get instrumental surveys, were there any serious natural obstacles to the construction of the road, and state the character of the country?—A. It was a plain—a broad valley—and with very little, if any, obstacles to the building of the road.

Q. After having examined the line of the road, did you make any

mate as to what the road could be constructed for; and if so, what that estimate, and to whom did you communicate it?—A. I made a gh estimate, and stated my views with regard to it to Mr. Durant, was vice-president of the road.

. Did you to any other person?—A. I cannot recall now, it is so long . I know I did state them to others, but I cannot exactly state now they were.

. What was the character of that estimate?—A. It was only ap-ximate, not close at all.

. How was the estimate made up; in figures?—A. Yes, sir; in res and in quantities.

. And at that time what did you estimate this road could be built ?—A. My estimate was that it could be built in cash for $40,000,000.

. Did you regard that as a liberal estimate?—A. I thought those res would cover it.

. Did you take into account contingencies in regard to transporta- and the time of construction?—A. Yes, sir.

. Do you know anything about the execution of the Hoxie contract? if so, state what you did with reference to it.—A. I had a copy of contract furnished me, in November, 1864. I looked it over, ex-ned it very carefully, and thought a great deal over its provisions. the 8th of December, 1864, I tendered my resignation as engineer of road, and gave my reasons for it. They were that I objected to being instrument to carry out the provisions of that contract.

. Have you a copy of the letter tendering your resignation?—A. I e.

. Will you produce it to the committee?—A. This is it:

"ENGINEER'S OFFICE, UNION PACIFIC RAILROAD,
"*Omaha, December* 7, 1864.

DEAR SIR: I hereby tender you my resignation as chief engineer he Union Pacific Railroad, to take effect December 30, 1864, one year n the date of my appointment. I am induced to delay until that e that I might combine the results of surveys of the present year and ent them to the company and to myself in a satisfactory manner. reasons for this step are simply that I do not approve of the con-t made with Mr. Hoxie for building the first hundred miles from aha west, and I do not care to have my name so connected with the road that I shall appear to indorse this contract. Wishing for the d success beyond the expectation of its members,

"I am, respectfully, yours,

"PETER A. DEY.

Hon. JOHN A. DIX."

. Did you send the letter of which this is a copy to General Dix?— I did.

. Was your resignation accepted?—A. Not that I know of.

. Did you write any other letter to General Dix?—A. On the same that I wrote the letter I have just read to you I wrote and inclosed he same envelope the following:

"OMAHA, *December* 7, 1864.

DEAR SIR: With this I send you my resignation as chief engineer he Union Pacific Railroad Company. My reasons I have given. I ived the contract nearly a month ago. When I first read it I felt t it was made against my known views, and I could not be held in

any measure responsible for it, but it has since been a constantly recurring subject of thought to me, and I am not now satisfied that I shall be able to acquit myself of all blame if I become an instrument of its execution. You know the history of the M. and M. road, a road that to-day could be running to this point if its stock and bonds only represented the amount of cash that actually went into it. My views of the Pacific Railroad are perhaps peculiar. I look upon its managers as trustees of the bounty of Congress. I cannot willingly see them repeat the history of the M. and M. by taking a step in the incipiency of the project that will, I believe, if followed out, swell the cost of construction so much that by the time the work reaches the mountains the representative capital will be accumulated so much that at the very time when the company will have need for all its resources, as well of capital as of credit, its securities will not be negotiable in the market. From my boyhood, I have associated Mr. Cisco and yourself with Mr. Bronson and Mr. Flagg, men whose integrity, purity, and singleness of purpose have made them marked men in the generation in which they lived. Of course my opinion remains unchanged. You are doubtless uninformed how disproportionate the amount to be paid is to the work contracted for. I need not expatiate upon the sincerity of my course when you reflect upon the fact that I have resigned the best position in my profession this country has ever offered to any man.

"With respect,

"PETER A. DEY.

"Hon. JOHN A. DIX."

Q. What road is referred to as the M. and M. road?—A. It is the Mississippi and Missouri road.

Q. Do you know whether or not these letters were received by General Dix?—A. Yes; I know they were.

Q. Have you a reply from him to this last letter?—A. Yes, sir; this is it:

"NEW YORK, *February* 27, 1865.

"MY DEAR SIR: Your resignation was duly received and should have been acknowledged. Your private letter was also received. I should be glad to confer with you on the whole subject, and trust the opportunity will soon occur, as I think your presence will be necessary. The Government has been very liberal in its provisions for the Union Pacific Railroad except in one particular, the one in regard to which I have always been most anxious. The bonds which it proposes to issue to us are not gold interest bearing bonds; on the contrary, the interest is payable in currency. We cannot get over 90 per cent. for them, and they are our only means of going on with the work. Under these circumstances we did the best we could. The arrangements for the first hundred miles had the approval of the Government directors. On the Mississippi and Missouri road we had the same difficulty. The work was carried on by the proceeds of bonds sold greatly below par; but all these matters are better explained by verbal communications. To go to another subject, I sent you some Iowa coupons some years ago; I think they are not all paid; if any are left in your hands will you please forward them?

"Believe me, truly, yours,

"JOHN A. DIX."

Q. Have you any further letters from General Dix on that subject?—A. Yes, sir.

Q. Please read it.

A. "NEW YORK, *April* 29, 1865.

"MY DEAR SIR: I wrote you some weeks ago stating that the contract for the first hundred miles of the Union Pacific Railroad was approved by the Government directors. I alluded to the directors in office when the contract was made. I put it into their hands, and as they made no objection I presume they approved it. It was very clear at the time a better one could not have been made. I write to you now to say that this contract has always been under our control, and that there is on file an agreement on the part of the contractor to surrender it on being paid the amount he has expended. I should be glad to know whether a better arrangement can be made, as the directors are ready to adopt any other which shall save money to the company. I shall be much obliged to you for any suggestions on the subject.

"I am yours, truly,

"JOHN A. DIX.

"PETER A. DEY, Esq."

Q. What further have you on the subject?—A. I have this:

"NEW YORK CITY, *May* 10, 1865.

"DEAR SIR: Yours is received. The coupons came safely. I beg you to accept my thanks. The agreement on the part of Hoxie's agent here, to give up the contract at any time, was made to me when I sent the letter. It was drawn up subsequently in a formal document and signed by Hoxie himself.

"In haste, yours, truly,

"JOHN A. DIX.

"PETER A. DEY, Esq.

"P. S.—All the subscribers to the stock of the Union Pacific have been invited to become parties to the contract. The major part of them have done so, and if there are any profits in the contract, those who have put their money in the road will participate in them.

Q. What were the objections that you made to the Hoxie contract?—A. My objections to the Hoxie contract were that it was letting the work for $2,000,000 more than it ought to have been let for. That was the first objection I had; the second objection was that it absorbed the first-mortgage bonds, the Government bonds, and the land-grant bonds, or, in other words, that it absorbed everything the company could have in the shape of resources at once, on the start. Its tendency was, in starting out, to accumulate an immense indebtedness, which I thought would weigh down the project—would ruin it. My experience in railroad-building had been that in the early stages of a road it should not be burdened with debt; that only those roads succeeded that were managed with the most rigid economy in the incipiency.

Q. Have you a copy of that contract?—A. I have.

Q. I wish you would refer to it and point out to the committee those features of it which you regard as being most objectionable.—A. The first thing that struck me at the time was this: "The contractor shall not be required to expend, in the construction of any one bridge, over $85,000." Now there was one bridge that would have cost over $100,000, but a change was made in the direction of the road so that it did not come in the first hundred miles. It would have come in the original course of the road, and that was why that provision was put in. The contract says: "Nor shall he be required to expend for the erection of station-buildings, machinery, machine-shops, tanks, equip-

ment, &c., more than $5,000 per mile." Now at that time, during the last year of the war, it was impossible to equip a road as it should be equipped, building stations, machinery, machine-shops, tanks, equipment, and about everything else there is to a road, except the grading, ties, and track, at $5,000 a mile, or $500,000 for the one hundred miles. Now, in addition to this, the contract says: "Any excess in the cost of iron above $130 per ton at Omaha, to be allowed by the company." That fixes the iron delivered at the initial point at $130 a ton, or $13,000 per mile. The company agreed to pay to Hoxie $50,000 for each mile completed. Now, then, $5,000 is to be paid for everything but ties, iron, and grading; the iron is to be $13,000 a mile, leaving the balance of the $50,000 almost entirely for grading and ties. Another feature that struck me was this: "Payment to be made as the work progresses, upon the estimate of the engineer, in making which the engineer will deduct from each section its proportion of the cost of equipment not then furnished, station-buildings, superstructure, and cost of telegraph lines, &c.; but all material delivered or in transit on account of the company may be estimated for."

I see in Mr. Durant's report this has been carried out. For instance, where there were ten miles of grading they estimated it at $500,000, less $13,000 a mile for iron, and $5,000 a mile for rolling-stock, station-buildings, &c. Now, the contract says: "In the mean time, if required, the company to execute certificates to an amount to correspond to the first-mortgage and Government bonds, and exchangeable for the same, upon the company obtaining the United States bonds, said certificates to bear interest payable semi-annually at the rate of 6 per cent. per annum. On these certificates the contractor is to advance, or procure to be advanced, the necessary funds to the company at the rate of 80 per cent. on the par value of its Government and first-mortgage bonds, and on the land-grant bonds 70 per cent., reserving the right to dispose of them whenever the amount so advanced, including the amount due on construction, shall exceed $500,000, or whenever said advances shall have been made over four months, but not to do so for less than the price above named; the company to decide at their option whether to take the bonds or any portion of them, at the price above named, in payment of advances or interest, if called upon to do so, within thirty days thereafter." These are some of the features of the contract that I desire to call attention to. Now Mr. Hoxie is notified, on the 25th of September, 1864, by George T. M. Davis, of the executive committee, to go to work on this contract, and then, afterward, the above contract is approved and ratified January 1, by John A. Dix, C. S. Bushnell, and G. T. M. Davis, special committee appointed for that purpose. That is rather an unusual method of making contracts, by special committee. In other words, this contract, by taking the securities at the price named, would bring the cost to over $60,000 per mile—about $62,000, I think.

Q. At that time, what, in your judgment, would have been a fair price for constructing the one hundred miles of road that is embraced in the Hoxie contract?—A. I think a liberal price would have been about $30,000 a mile.

Q. Do you know what it actually cost to construct it?—A. No, sir.

Q. What was your estimate as to the cost of that portion of the road from the terminus of this one hundred miles to the one hundredth meridian?—A. My figures for that portion were about $27,000 a mile.

Q. Do you think the road could have been constructed for that?—A. I do.

Q. Under all the circumstances that were surrounding it?—A. Yes, sir.

Q. Do you mean $27,000 a mile cash?—A. Yes, sir; I am speaking of cash when I speak of values.

Q. That including all the equipments of a first-class road?—A. Yes, sir; all that was necessary to run it. Perhaps I ought to say here, by way of explanation, that the company has erected at the North Platte very expensive machine-shops. The cost of modern machine and car shops for a large railroad is not less than half a million of dollars, and I do not include that in my estimate of expenditures.

By Mr. SHELLABARGER:

Q. Do you mean now to say that, included in this outlay, which you say amounted to $62,000 a mile, the company procured certain machine-shops?—A. No, sir; they were not included in the $62,000 at all. But when you ask me what it costs to build a railroad, I want to explain that the amount I have given did not include these shops. Those shops were not, however, built under the Hoxie contract.

Q. Had surveys and estimates of quantities and values been made and submitted to the company by its engineer prior to the letting of the Hoxie contract?—A. Yes, sir.

Q. What did those estimates show the cost of the work to be for the first hundred miles, as near as you can recollect?—A. About $30,000 a mile.

Q. What assets had the road at that date, immediately prior to the Hoxie contract, available for the purpose of securing money to pay for the work on that contract?—A. They had stock subscriptions of over $1,000,000.

Q. What else?—A. They had, I think, the right of way the entire distance of the line.

Q. And did they not also have the right to first and second mortgage bonds as the work progressed?—A. As the work progressed they were entitled to the first-mortgage bonds and to the Government bonds. At the same time it is not railroad policy to issue those bonds on the market in advance.

Q. Did you, as an officer of the road, at that time suggest or advocate in any way the enforcement of calls upon stock subscriptions?—A. I did, sir.

Q. Did your counsels in that regard prevail with the company?—A. No, sir; not at all.

Q. What were the reasons, so far as you may know, why the board at that time failed to comply with the requirement of the charter in regard to stock subscriptions in money?—A. I took the position that, under the charter, these subscriptions must be paid in money, and the views of the officers of the company were that they could come in as payment on these contracts.

Q. How could stock subscriptions come in as payment on these contracts unless the subscribers to the stock were the parties doing the work under the contract?—A. I differed with those gentlemen in the interpretation of the law.

Q. At that date, however, no arrangement had been made whereby the contract was to be executed in the interest of the original stock subscribers, who had subscribed these two million and odd dollars at that date?—A. No, sir; I think there might have been an understanding to that effect, but it was not known. I did not know it until I was notified of it in this letter I have shown you.

Q. Did the directors inform you how they had arranged to do the work to pay these original stock subscriptions?—A. That is a question that was not raised in that shape exactly.

Q. Do you know what became of those estimates which covered that one hundred miles, and also any and all other estimates and surveys that may have been made by you to the board prior to your resignation?—A. No, sir; I do not.

Q. Have you ever seen them since?—A. No, sir.

Q. Did they show to any extent the profile of the road?—A. Yes, sir; there was a profile with them. I put a price on everything—on the excavations, bridges, engines, cars, and almost everything connected with the road complete. I put on the prices that were ruling at that day.

Q. Now from the hundredth meridian westward what surveys and estimates had been made by you and reported to the company prior to your resignation?—A. From the hundredth meridian to the foot of the Black Hills I made no surveys, but from the foot of the Black Hills to Salt Lake I had a continuous profile.

Q. How did the character of the country as to natural difficulties of construction from the hundredth meridian to the foot of the Black Hills compare, on an average, with that portion east of the hundredth meridian?—A. For a large portion of the distance it was about the same. As you approach the Black Hills there are occasional points that would require excavations. It was a little more expensive as you approached the Black Hills. The road is a straight line from Loop Fork River west.

Q. Where is Loop Fork River?—A. Very near the end of the first hundred miles. From that point there are one hundred and four miles on which there is not a cut nor an embankment exceeding six feet. From that point westward the road is about the same until you approach the Black Hills.

Q. What is the distance from the hundredth meridian to the Black Hills?—A. About 270 miles.

Q. Had you reported to the road any approximate of the cost per mile from the hundredth meridian to the foot of the Black Hills prior to your resignation? and if so, state what that estimate was.—A. I told them that it would cost very little more than the work back of it, of which I had furnished profiles.

Q. In your answer to the chairman you stated that your estimate of the cost, including the equipment and everything that was necessary to entitle them to the Government subsidy, would be $40,000 a mile; you meant by that to the western terminus of the road?—A. Yes, sir.

Q. In that estimate of $40,000 a mile, what particular pass through the mountain range did you adopt as the one upon which your estimate was based?—A. The one at the head of Lodge Pole Creek.

Q. In the report made by Mr. Williams to the Secretary of the Interior, dated November 23, 1866, page 14, Senate document No. 2, special session, he says: "By these surveys, continued now through three years, ten distinct points of crossing have been examined. They have been run with level and transit, and all afford reasonable hope of practicability." Among those ten passes is one called "Route No. 7," following the divide between Crow Creek and Lone Tree Creek and Evans's Pass. It appears also from this report that "Route No. 7" was the one that was adopted?—A. It was; yes, sir.

Q. In your estimate of $40,000 per mile, would you make any change

owing to the now known character of that pass?—A. Yes, sir; I should.

Q. What change would you make?—A. My recollection is that I expected to expend between two and three million dollars in tunneling the Black Hills.

Q. Was any such tunneling in fact found necessary?—A. No, sir.

Q. What change would you make in the amount of your estimate per mile, owing to the favorable character of the Evans Pass?—A. I suppose I would deduct $2,000 a mile for the whole length of the road.

Q. Did you make any of the surveys spoken of by Mr. Williams?—A. Yes, sir; I made three of them.

Q. Did you ever survey the particular pass that was adopted?—A. No, sir.

Q. Had you any personal knowledge of the character of it from observation?—A. No, sir. It has been stated here by almost every gentleman who has spoken on the subject, that the Evans Pass was a purely accidental finding. Now there is no such thing as an accidental finding of a route where surveys are completely made. I asked Mr. Evans, in 1864, to run what is called a crest-line over the summit of the Black Hills from the Cache la Poudre, covering the crest of the ridge. If he had been enabled to make that he would have discovered the Evans Pass that year; but in that portion of the Black Hills the Indians were very troublesome, and he was unable to get military protection. He could not keep his teamsters; his men were afraid, and he had to abandon it. But by running a crest-line that depression would have been discovered.

Q. State whether, considering the conditions and circumstances under which that work was conducted from the time you became connected with it onward to its completion, there were any practical difficulties or business objections to contracts being let, upon and after actual surveys of the whole line.—A. No, sir; there was not. There was no reason why this line should not have been let in contracts of ten miles each, which was probably done by the men who got the contract. This contracting company didn't go on and do the work. They sub-let it, as the railroad company should have done, in small portions, to workmen. The company could have done this, too, if they had had the money.

Q. Did you recommend that policy instead of letting an unsurveyed road?—A. I advocated the policy of the company letting its own work to contractors, to the men that did the work.

Q. And that upon actual surveys?—A. Yes, sir; I never let a piece of work on anything else.

Q. When the Hoxie contract was let had there been actual surveys and estimates made of the one hundred miles embraced in that contract?—A. There had.

Q. Do you remember what the estimated cost of construction was?—A. My recollection was that it was about $30,000 a mile.

Q. Had there been estimates made as to the cost of construction from the Hoxie contract to the hundredth meridian?—A. There had been estimates made for the second hundred miles—I think $27,000 a mile were the figures.

Q. In your answer to the committee on the 22d January, 1873, you say that John E. Henry, who was a kind of superintendent of the construction company, came on from New York with orders to make a large estimate. Now state, if you can, more fully, what directions you received about that estimate and how it should be made.—A. It was to

be made larger than I had deemed necessary in my former estimate. There was a heavy embankment away up the Platte Valley.

Q. Was the length and character of that embankment described in the verbal instructions delivered to you by Henry?—A. I think it was.

Q. Was it claimed by him that the embankment was in fact required in the proper construction of the road?—A. No, sir; I think there was to be an embankment 4 or 5 feet more than was necessary for the distance of seventy miles.

Q. How much in the aggregate, as near as you can tell, did that augment the cost of construction of the road?—A. About $2,800,000.

Q. Was that made before or after the Hoxie contract?—A. It was made before.

Q. Do you know whether the Hoxie contract was let with reference to that estimate made in pursuance of instructions from Henry?—A. I do not know; I think it was.

Q. What reasons have you for thinking it was?—A. Because it very nearly coincided in amount with the Hoxie contract.

Q. Do you know whether the officers of the road, or any of them, were in possession, at the date of the Hoxie contract, of knowledge of the fact that those estimates were made too high and in obedience to instructions from Henry?—A. I know this, that those instructions to make that estimate came through Mr. Durant, who was vice-president of the road. How far other members of the company were cognizant of the fact I do not know.

Q. How are you able to state that Durant knew of those instructions and of the action had under them?—A. My instructions came in the shape of a verbal order from Mr. Durant. Mr. Henry was in the habit of bringing instructions from Mr. Durant. He was in New York oftener than I was.

Q. And the unwillingness of which you have spoken, and to which you alluded in your letter to General Dix, to proceed with the execution of the Hoxie contract, arose from the fact of your having made these surveys and estimates under Henry's direction?—A. Yes, sir; it had for this reason: I wanted to clear myself of any responsibility from making a misrepresentation in the case. I do not know whether I make myself understood, but I thought my resignation might possibly call out the fact that it was made under my estimate, and it would then give me a chance of explaining how and why that estimate was made.

Q. Did you so explain?—A. No, I did not, for I was not called upon. I had reason to believe that General Dix knew as much about that as I did.

WASHINGTON, *February* 12, 1873.

OLIVER J. DICKEY sworn and examined.

By the CHAIRMAN:

Question. If you desire to make any statement, the committee will give you an opportunity to do so.—Answer. I desire to state generally that I went into the office of Mr. Stevens in August, 1846, and remained with him until 1857. During that period we were engaged in a very large and, to Mr. Stevens, a very lucrative practice. I was the junior partner and it was not so profitable to me. Probably he realized never less than $8,500 and as high as $17,500 a year. After 1857, when he came to Congress, he still had young men in his office to keep up such practice as I could attend to in the intervals of Congress, but his practice fell off in

erously, and from 1860 I do not think it exceeded $2,500 a year, although he was engaged in one or two cases that paid him good fees. I have examined, as his executor, his bank-account, more especially from 1861 down to the time of his death, and I do not find any deposit in that bank-account exceeding ten thousand dollars, with a single exception, and that was the proceeds of a mortgage that he put upon his farm in Franklin County. I find no cash deposit, not the result of a discount or money from a client, for any amount exceeding $7,000, that I am not able to trace. Mr. Stevens was a man that kept no private accounts. His furnace accounts were kept with great exactitude, and monthly and yearly balances made out. Individually he kept no account except his account in the bank and his checks drawn against that account.

Q. What is the date of the $7,000 item?—A. I do not remember, but there are several items in his bank-account running up into that neighborhood. There is nothing in that bank-account in the way of a draft or check upon Washington, except four drafts upon Mr. Ordway, which I presume was part of his pay. That seemed to be the only money he ever took home from Washington. Mr. Stevens was the owner of a large real estate in Pennsylvania known as the Caledonia Furnace property, and the Maria Furnace property, most of which he acquired prior to 1830 in partnership. He subsequently bought out his partners. He was the owner of eight-tenths of a large number of tracts of land in Luzerne and Wyoming Counties, titles to part of which he lost by non-payment of taxes, part of which he sold after he came in Congress, and sold for cash, and these largest credits on his bank-account, I think, are the proceeds of those sales. When he died he still had some 2,500 or 3,000 acres of land there.

Q. About what time did he make those sales?—A. I think about 1860 or 1861. They were very valuable coal-lands, and were all acquired by Mr. Stevens prior to his moving to Lancaster in 1842. The only other real estate he possessed was a house and lot in Lancaster, and a cow-lot outside the city. He had owned a farm in Vermont, which he bought early in life, on which his mother resided, and at her death he sold it. The inventory of his personal estate shows that he died possessed of an estate of $48,616.85, against which we have paid debts to the amount of about $20,000, and we have paid off his specific legacies, knowing that his real estate was good, and we have litigation in regard to a subscription to the stock of a railroad, which he made with the understanding that the railroad was to pass by his property. After he died they changed the location, and want us to pay the subscription, which we refused to do. If we are compelled to pay this subscription, Mr. Stevens's personal estate will be considerably inadequate to pay his debts. I have seen it published in the newspapers that Mr. Stevens sold the Caledonia property for $80,000 in Pacific Railroad bonds. Mr. Stevens always asked $160,000 for that property, and we are now negotiating its sale for $130,000, and we have not sold it yet.

Q. Do you know of the sale of any property by Mr. Stevens to any person connected with the Union Pacific Railroad, or to any person active in procuring legislation in its behalf?—A. I do not. I do know what may have given rise to this rumor. He did sell two tracts of land in Luzerne County to Mr. John F. Cowan, the whole consideration of which was $20,000. After his death Cowan instituted suit on the ground that the title was not good, and claimed certain bonds that he had given Mr. Stevens as consideration, showing an agreement in the handwriting of Mr. Stevens agreeing to convey those tracts. I compromised the matter with him, taking back the land, and have since disposed of it,

losing several thousand dollars by the operation, because the title wa in dispute. The land itself was worth much more than Mr. Stevens sol it for, if the title had been perfect.

Q. Who was Mr. Cowan?—A. John F. Cowan was a client of Mr Stevens, in Pennsylvania. He was in all kinds of schemes, and use to be about Congress.

Q. Was he in any way connected with the Union Pacific Railroa Company?—A. Not to my knowledge.

Q. How soon after Mr. Stevens's death did you qualify as executor?— A. On the day of his funeral.

Q. Did you find among his papers or among his assets any Unio Pacific Railroad bonds or stock?—A. No, sir.

Q. Is there anything in his books or papers indicating that he hel any of the bonds or stock of the Union Pacific Railroad Company?—A No, sir. I will state further that we not only qualified on the day o his funeral, but we made an examination in the presence of the apprai ers of the estate, Hon. Thomas Burroughs and John J. Cochran, of a his effects in Lancaster. We went down to his office, opened his privat desk, took the key of his box in the bank and his bank-book, and mad an inventory in rough on the day of his funeral. The balance of hi property being in Franklin County, we were unable to get Burrough to go down there, and we substituted Judge Livingston in his stead. will state that there were not any Union Pacific Railroad bonds on hi inventory. The only bonds that we found were those arising out of thi transaction with John F. Cowan.

Q. As the subject has been mentioned, I will ask you if you withhel or delayed the inventory of Mr. Stevens's estate for the purpose of co cealing any fact which that inventory, truthfully made, would di close?—A. No, sir; and I never knew any fact connected with the se tlement of Mr. Stevens's estate that was not known to my co-executo and to Thomas H. Burroughs and John J. Cochran, the appraisers, o the day of the funeral, and to the officers of the bank in which he ke his account. I had no information which I objected to the public kno ing. The reason of the delay in filing the inventory was the inabili of Mr. Burroughs to go to Franklin County and make an appraiseme of the property there. We had to substitute Judge Livingston, wh had been a student in Mr. Stevens's office, and we went up to the Ca donia Furnace and took the inventory there. That was the cause of t delay in filing it.

Q. What bonds were those that you have spoken of in connecti with the transaction with Mr. Cowan?—A. They were Delaware, Le enworth and Pawnee bonds. The Kansas Pacific Railroad, I believ succeeded to their rights. The value of those bonds was $14,600.

Q. What was their par value?—A. Twenty-four thousand two hu dred dollars.

Q. I understand you the property which Mr. Stevens sold to this g tleman for those bonds was, according to your judgment and knowled well worth the amount paid for it if the title had not a cloud up it, and there arising a cloud upon the title the purchaser claimed have the transaction rescinded, insisting upon his rights for a return the consideration, and that thereupon you compromised the matter the way you have stated?—A. Yes, sir. In the compromise I gave h $14,000 in money. The bonds were sold through the cashier of t bank, and Mr. Cowan and I compromised on the proceeds. These w the only bonds found in Mr. Stevens's possession, except national-ba stock, ten shares of Cumberland coal stock and Lancaster turnp stock.

WASHINGTON, D. C., *February* 13, 1873.

OAKES AMES recalled.

By the CHAIRMAN:

Question. On the 31st of December, 1868, were you an officer or director in the Union Pacific Railroad Company?—Answer. No, sir.

Q. Were you of the Credit Mobilier?—A. No, sir.

Q. Were you one of the trustees of the contractor?—A. I think not.

Q. Was your attention ever called to an estimate that was made by the chief engineer of the Union Pacific Railroad Company on the 31st of December, 1868, which was filed pursuant to a resolution offered by Mr. Durant, inquiring whether eleven million dollars had been paid on account of the Oakes Ames contract?—A. I have a recollection of that.

Q. Do you know how many miles of road were estimated by the engineer under that Oakes Ames contract, and paid for by the Union Pacific Railroad Company?—A. To my recollection, 667 miles.

Q. I find, on referring to this estimate or certificate of the engineer, that he estimates, in addition to the 667 miles which are embraced in the Oakes Ames contract, 46 miles, at $90,000 a mile, making a total of $4,140,000 for that 46 miles of road. That seems to have been estimated along with the 667 miles embraced in the Oakes Ames contract, and charged up to the Union Pacific Railroad Company, and paid for by the Union Pacific Railroad Company under the Oakes Ames contract. Do you know how that happened to be done?—A. No, sir; I have no recollection of it.

By Mr. SLOCUM:

Q. Do you know what salary was paid to the first president of the Union Pacific Railroad Company?—A. I think $8,000 a year.

Q. How was that paid?—A. Indeed I cannot tell you. I was not a director, and was not familiar with the matter.

Q. Did you ever hear of General Dix holding stock of the company?—A. I had that impression.

Q. How much stock did he hold?—A. I cannot tell you; I do not recollect.

Q. Do you or not know that he got five hundred shares?—A. I do not know.

Q. You never heard any one speak of that?—A. I think I have, but I cannot remember how much stock he held.

Q. How did he come by that stock? Do you recollect that?—A. No, sir; I do not. He was a stockholder before I had anything to do with the road.

Q. Can you not tell us whether that stock was given to him in payment of his salary or not?—A. I cannot; I presume the books will show whether he was paid in money or not.

Q. Did you ever hear of his offering that stock to your brother Oliver for $5,000?—A. I do not recollect ever hearing that.

Q. Did not your brother tell you he did?—A. I do not recollect so. He may have done so, but I cannot recall it now.

Q. Did you ever hear of his having written a letter to any one, which was read to a portion of the directors, and which induced them to buy that stock at par?—A. I recollect there was a letter from General Dix, presented, I suppose, by somebody who represented him while he was in Europe.

Q. While he was minister to France?—A. Yes.

Q. What was the character of that letter?—A. The letter, if I recol-

lect right, demanded $50,000 from the company, for I do not know what. We considered it a kind of black-mailing, and a hard thing on the company.

Q. It was so considered by the directors at the time?—A. Yes.

Q. Who read that letter to you?—A. I did not hear it read; I was not a director at the time.

Q. Do you know who presented the letter?—A. I think his son-in-law.

Q. Mr. Blake?—A. I think that is the name; I am not positive.

Q. You understood that the Union Pacific Railroad Company took the money of its treasury and bought the stock in at par?—A. That is my understanding. The Union Pacific Railroad Company paid the money which General Dix claimed—$50,000, I think. That is my recollection of the transaction. I had nothing to do with the details. They paid him $50,000 to get rid of him, and to get rid of the claim, or the threat, or whatever you call it. I do not know by what name it was looked upon.

Q. The character of that letter was well known to the board of directors, was it?—A. I presume so. I was not a director at the time, but I got my information from directors. I had a good deal to do with the company, being one of the largest stockholders, and of course must know about a payment like that. I know that they were very indignant, and thought it was very unjust.

Q. What was the actual value of that stock at the time it was purchased from General Dix?—A. I do not suppose that the railroad stock was then worth more than 20 per cent. I should not think there was any sale for it at that time, and it had no market value.

Q. What was your understanding with reference to how General Dix's salary was paid, in money or in stock?—A. I suppose it was paid in money. The books, I suppose, will show that.

Q. There was a young man by the name of Painter who held some stock in the Credit Mobilier; how much did he hold?—A. I let him have thirty shares.

Q. Did you understand that that stock was for him individually?—A. For him individually.

Q. There was never any understanding that he held it as trustee for somebody else?—A. No, sir.

Q. Did he pay for it?—A. Yes, sir.

Q. In what manner?—A. I have a memorandum of it somewhere. I gave it to the other committee.

Q. Did he pay the same as the members?—A. Yes. He was promised that stock. He said that he was promised fifty shares by Dr. Durant and by Mr. Bushnell, and declared that he should have it out of that assigned to me.

Q. What time did you let Painter have that?—A. In December, 1867, or January, 1868.

Q. Was it very well understood then that the actual value of that stock was much over par?—A. Yes; there was no market value for it.

Q. What induced you to let Painter have it?—A. I had the stock, and I let everybody have it at the same price that I paid for it. In all my transactions I never asked a man who participated with me any more than I paid myself. I always let every one in, whether the stock went up or not. I let everybody have it alike.

Q. Was there an understanding that Painter had performed some service, or was to perform some service, about the House?—A. No, sir; what he told me he had been promised, I performed. He was very indignant that he did not get the amount he said he was entitled to.

Q. His stock, I suppose, was paid for in dividends?—A. Partly in dividends. He paid cash in part, and he had dividends afterward which retained to it. He received the first dividends in bonds, and paid me cash for the balance—I think some $800 or $900.

Q. He got about three times as much stock as the average of members?—A. No, I guess not three times as much. Several of the members had as much as he had.

Q. What position did Painter hold here at that time?—A. I do not know; clerk to some committee, I believe.

Q. Was he a reporter for the press?—A. That I do not know.

The examination was temporarily suspended until the attendance of Mr. Benjamin F. Butler, Representative from Massachusetts, should be secured, as he was somewhat interested in a subject on which the witness was to be examined.

Mr. Butler having come into the committee-room, the examination of the witness was resumed.

Q. What, if anything, do you know in relation to the payment, or the proposed payment, of any sum of money to Mr. Carpenter, of Wisconsin, by way of a retainer as the attorney of the Union Pacific Railroad Company?

Mr. Butler suggested that before going into that branch of the investigation which had been suggested in an anonymous or fictitiously signed letter, sent to the committee, and letter-press copies of which had been circulated among members, it would be well for the committee to ascertain whether there was any such person as John P. Randolph, the name signed to the letter,) of Cedar street, New York. He asked that the messenger of the Sergeant-at-Arms, who was sent with a subpœna for John P. Randolph, be examined, and then he was willing, himself, to make a statement under oath to the committee.

The course suggested was adopted.

WASHINGTON, D. C., *February* 13, 1873.

JOHN W. LEBARNES sworn and examined.

By Mr. BUTLER:

Question. Are you Deputy Sergeant-at-Arms?—Answer. I am acting as such.

Q. Where did you receive an order to summon Mr. John P. Randolph?—A. While I was at Mr. Ordway's house, last Sunday afternoon.

Q. What did you do in consequence?—A. I prepared a subpœna and proceeded to New York on Sunday night. On Monday morning I went to Cedar street. As there was no number given in the order of summons, I examined the entrances to all the buildings on that street on each side of Broadway, and on both sides of the street, and I examined all the signs, and found no person of that name. Then I made inquiry at various points along the street, of commissioners of deeds, notaries public, in the bar-rooms, eating-houses, railroad offices, &c., and nobody on the street of whom I inquired knew any such person or had ever met him. I had previously looked in the Directory and found no such name. I went to the banking-house of Randolph & Co., in Nassau street, and they did not know any person of that name. I endeavored to find some other persons of the name of Randolph, to make inquiry, but I did not find any one at that time. I then examined the Directories

of preceding years, and found a John P. Randolph, in the Directory of 1870, as keeping a variety store in Varick street. I went to the post-office and had an interview with the assistant postmaster, and asked him if he would cause the letter-boxes to be examined to ascertain if any person of the name of John P. Randolph had a box. He did so, and no such person had a box. I then gave him the address that I had obtained from the Directory of 1870, and asked him to have the John P. Randolph of Varick street traced to the present time. He did so, and in the afternoon he gave me what he supposed to be his address at this time. That address was, "Colored Intelligence Office, corner of Fourth avenue and Tenth street." I went there and found that Mr. Randolph had moved to Brooklyn. I went to Brooklyn and found him. I found that he was a colored man, formerly from Richmond, a slave in the family of the Roanoke Randolphs.

Q. Had he written any such letter?—A. He had written no letter at all. He did not know anything about Pacific Railroads. He did not know anybody who had anything to do with railroads. He never had heard of the Credit Mobilier, and did not know that there was any investigation in Congress on that subject or any other subject.

By Mr. HOAR:

Q. Had he ever heard of Congress?—A. It was somewhat doubtful. He kept a small intelligence office for colored servants; and, apparently, he did nothing else but that. He was manifestly not the person that I was in search of. In the meanwhile I had telegraphed to Mr. Ordway, stating that I had not succeeded in finding Mr. Randolph, but that I was searching for a John P. Randolph who had kept a variety store in Varick street, and I asked him if he could furnish any further information. I received a dispatch from Mr. Ordway that night that he could not furnish me with further information. I went to Mr. Crane and asked him if he knew Mr. John P. Randolph, and he never had heard of such a man in connection with the Union Pacific Railroad Company. I went to the office of Mr. McComb, and they had never heard of such a man. I went to Mr. Ham, and he had never heard of him. I made some other miscellaneous inquiries. I found among others Mr. Hanscom, who had prepared for the New York Herald a number of statements in reference to the Union Pacific Railroad and the Credit Mobilier, and who was then preparing, as he told me, a statement in regard to some other western railroads. He had examined a great many papers and was familiar, to a considerable extent, with the names of all persons concerned, and he had never heard of him. I concluded that I had exhausted all the means of obtaining information, and I returned.

By Mr. BUTLER:

Q. Up to this time had you heard from or seen me on the subject?—A. No, sir. I did not know that you had any interest in the matter until yesterday, and I did not know then what it was.

Q. Then, in answer to my inquiries, did you inform me that you could not find Randolph?—A. I did.

Q. Was there any further or other connection between us, either oral or written, than what you have stated?—A. No, sir.

Mr. BUTLER. Now, in accordance with the suggestion of General Slocum, as my name has been brought before the committee in the matter of receiving fees, I should like, with the leave of the committee, to state, under oath, the facts exactly as they are.

The committee agreed that Mr. Butler should be sworn and examined as a witness.

WASHINGTON, D. C., *February* 13, 1873.

BENJAMIN F. BUTLER, having been sworn, at his own suggestion, made the following statement:

I have long known Mr. Ames, Mr. Alley, and other gentlemen of Massachusetts connected with the Union Pacific Railroad Company. On the 7th of August, 1868, I received a letter, which I hold in my hand, from Mr. Alley, dated Boston, August 7, 1868:

"MY DEAR GENERAL: I saw Mr. Oakes Ames to-day, and I told him I was very anxious that he should see you about the change of that contract of his and the agreements which he has made. It strikes me that it is illegal; and if so, it is important that he should know exactly how he stands in reference to it. He is very confiding, you know, and he thinks it is all straight and right because Tracy and these lawyers told him so. But you know their interests and feelings are with Durant. I told him that you were conversant with the whole matter; and if, upon examination, you thought it right and legal, I should be satisfied, and he might well be, but not without.

"He wants me to see you, with him, to explain my views, which I shall be glad to do. Now, when can we have an interview with you of an hour or so? I shall be away until Tuesday, and after that day I shall be glad to meet you. Please drop me a note, or inform me to-morrow at dinner, if you meet him. * * * *

"JOHN B. ALLEY."

Following my habit, I made, as you see, on the back of the letter, (which was filed by my clerk and digested,) a memorandum from which my clerk should draw up a note to be sent to Mr. Alley in reply. This memorandum is dated August 10, and is as follows:

"MY DEAR ALLEY: I will meet you and Ames at Mr. Green's office on Thursday, and talk over the 'contract' if it is personal to Ames. If it is a question as to the responsibility of the Credit Mobilier, I shall desire to give advice as counsel."

My reason was, that while I was perfectly willing to give any counsel to Mr. Ames as a friend, if I was to give legal advice in a case involving many millions, I did not feel like doing so gratuitously to a corporation which I believed and knew was amply able to pay me. I saw Mr. Ames and Mr. Alley in pursuance of that appointment. Mr. Alley had talked with me about the contract before that as friends, but not in the relation of counsel. I restated to Mr. Ames and Mr. Alley, when I saw them, that if this was to be a matter affecting the organization of the company I desired to act as counsel, and in no other way. After going over the question I expressed the view that, as it then stood, it was an illegal contract. I knew that it was a contract which *inter se*, between the stockholders of the Union Pacific Railroad Company and Mr. Ames, could not be made valid by a simple vote of stockholders. That was the question before us—whether that contract, which was known as the Oakes Ames contract, could be validated by a vote of the stockholders. I said no; that any stockholder could, in my judgment, enjoin a proceeding under that contract. Mr. Alley then stated to me that he hoped the Union Pacific Railroad Company would employ me as counsel to go to New York, about that contract, and also on the question of the manner of their holding an annual meeting. By the organic act of the company, and by the by-laws, it was provided that a meeting could only be held on one day, a given day, and that if an election failed, then the old board held over. There was a strong contest in the board between the

Massachusetts and eastern stockholders, and the New York stockholders, largely represented by Mr. Durant, as to who should get the direction of the road in the future. I went first to New York, and spent considerable time over the question of this contract. I met the other counsel, Mr. Tracy, Judge Black, and Samuel J. Tilden, and I counseled with them. Mr. Black represented McComb, Mr. Tracy represented Durant and the stockholders, and Mr. Tilden, I understood, was on our side. After that consultation, and after spending three or four or five days in New York, I returned home. Before the annual meeting I again went to New York under a letter of employment I had from the president of the board of directors, to take care, as counsel, of the interests of the stockholders. I went to New York three days, if I recollect right, certainly two days before the election took place. I then found that both sides had gone before Judge McCunn, now dead, and had got injunctions against each side voting, each side alleging that the stock held by the other was illegal; and it seemed to be pretty clear that there could be no election without whoever voted on either side, in violation of the injunction, going to jail. That matter was dealt with at very considerable length, and at the day of the meeting neither side would vote. We held legal disputations in the matter, one way and the other, until the hour of luncheon came, about one o'clock. It then occurred to me that there must be a way to get out of that difficulty; and thereupon I went with a gentleman and found Judge McCunn, whom I had known before. I stated to him the dilemma we were in; that we were in a condition not to have any vote because both sides were enjoined, and I suggested to him to modify the injunction as against us (a copy of which I carried in my hand) so as to allow us to vote, subject to all questions to be raised on the illegality of it. Judge McCunn did so far modify the injunction as to allow us to vote. I thereupon went back and advised my clients to hold an election. It was threatened pretty loudly on the other side what would happen if we voted in defiance of the injunction. I told them that I would take the responsibility, that they need not trouble themselves about me, and we voted in the election. I was served with a notice at that time to answer an attachment for contempt before Judge McCunn next morning.

I acted as inspector at the election. I staid there the next day, and I think the day after. In the mean time the contract of Ames came up, and I advised that the only way possible to get along with that contract itself, *i. e.*, among the stockholders themselves, if it was desirable to carry it out, was that it should be a contract of three parts, in which the various parties should let the road to Mr. Ames, and they should come in as partners. That is, they should take it as a joint operation as individuals and not as stockholders, and that they must get all the stockholders to sign, or else any one stockholder could stop it. I left that contract to be prepared by the other counsel. I did not prepare it myself, and I did not see it till after it was prepared. I went home, and in the due course of business I charged my clients $5,000 for services and $1,000 for expenses. Some weeks afterward, when I forwarded the bill, some of the gentlemen in the board whom I had opposed, (for in the mean time there had a compromise board,) said that it was too much. I do not know what argument was used in the board on the subject, but they said they would pay me $3,000. I said I would not take $3,000; that I would not so far demean my profession as to give advice and legal services in the matter of contracts involving $47,000,000, and to a company of $100,000,000 capital, for $3,000—that I ought to have charged $10,000

Thereupon they sent me $3,000. When I got relieved from my public duties I sent word to them that unless the other $3,000 was paid I should very likely bring suit to recover it. Subsequently that $3,000 was paid, as I believe. I did not feel very kindly to the corporation for thus undertaking to cut down my bill. On account of the disagreement, I suppose, or for some better reason, I had nothing further to do with the company until in the winter after I came to Congress. Mr. James Fisk, who I learned was the promoter of that difficulty in the election, standing behind some one, threatened to break up the company. I learned that by the newspapers. The next thing I learned was, that James Fisk sent me by messenger his check for $5,000 to be of counsel for him as against the Union Pacific Railroad Company in that contest. I saw that it would involve me in this inconsistency—that although this was a new contest, yet I could not go into it without carrying a portion of my knowledge which I had obtained as counsel for the other side. I thereupon wrote to Mr. Fisk, sending him back his check, and saying that I could not take it, unless the company released me from being counsel. I wrote to Mr. Oliver Ames, I think, certainly to one of the directors, stating the fact, and saying that I wished them to consider me still their counsel, stating my reasons; and I got a letter saying that I should still be considered their counsel. But I did nothing. They sent me no money, and I received none since, because it was my request that I should be considered their counsel, and I did not wish, therefore, to charge any fee. I then advised them that they should employ the Hon. Caleb Cushing, because I foresaw that the matter would come to the Supreme Court. I then said to Mr. Ames or to Mr. Alley, "I am afraid that before Judge Barnard in New York, the New York counsel, whom you may have, will find themselves very much embarrassed, because Judge Barnard is evidently impressed on the side of Fisk, and he will be very likely to visit with his displeasure any counsel practicing before his court who interferes with him much, and I think you had better get a man as far removed from New York influences as possible." I had known Mr. Carpenter ever since he studied law in Boston, in the office of Rufus Choate. I had heard him make arguments before the Supreme Court. I had been brought in contact with him, because there was a branch of the Soldiers' National Asylum in Milwaukee which brought me in contact with persons in that town, and with Mr. Carpenter. I saw Mr. Carpenter one day, and I said to him, "I hope that you are getting on well in your profession." He said, "Yes; and I wish I could build up a practice in Washington, before the Supreme Court." I said, "I will do anything I can to aid you in that regard, and I think I have such relations with some pretty large matters as will enable me to throw some business in your way." Thereupon, with that in my mind, and seeing the want of counsel for the company, and having a high opinion of Mr. Corpenter, I stated to Mr. Ames that in my judgment it would be better for the company to retain Mr. Carpenter in their lawsuit which was then imminent in New York. I said that he was a man who had "tongue" in his head, and could speak for himself, and would be entirely independent, and that I knew of no such good man for them. I said to Mr. Ames, "He is a very prominent man, has the confidence of everybody, is a candidate for the Senate, practices before the Supreme Court, and is a very good man." Mr. Ames said he did not know him at all, and I then went into a very considerable description of Mr. Carpenter. Mr. Ames said that he would take it into consideration. I may have spoken to one or more of the other

directors who were here. I do not recollect whether I did or did not; but if I did, it was to the same effect. The next morning, or soon after, I saw that the injunction had been issued, that the safe of the company had been broken open, and that these troubles had begun; and I there dropped the matter about Mr. Carpenter. I never spoke to Mr. Carpenter on the subject from that day to this, until after I received this anonymous letter; and then I asked him what possible foundation there could be for it.

The Central Pacific Railroad I never knew at all. I believe I have been introduced to one or two of its managers, but it was a mere passing introduction. I never spoke to them on business; never knew anything of their business; never asked them for a dollar for myself or anybody else. I believe I did ask them to give a pass over their road to my adjutant-general, and I do not know whether the request was accorded or not. I never saw a dollar of their money, or of the money of the Union Pacific Railroad Company, other than and different from what I have stated. I have no knowledge or belief, directly or indirectly, (and I mean to cover every possible form,) that either of said roads, or anybody on their behalf, ever paid a dollar to Mr. Carpenter, or that anything else took place in that regard other than I have stated. I have no belief or suspicion or impression that they ever either paid a dollar to him, or that he ever received a dollar from them.

That is the end and beginning of my connection with both roads. There is nothing that I desire to palliate, to excuse or defend. I should do just so again, and will do so again just when I please, where I please and how I please, all the world to the contrary notwithstanding.

By Mr. SLOCUM:

Q. You never stated to Mr. Ames or any one connected with the Union Pacific Railroad Company that it was desirable to have Mr. Carpenter elected to the Senate from Wisconsin instead of Mr. Washburn, Mr. Washburn being an enemy of the road?—A. No, sir. My only statement in reference to the election was as a recommendation of Mr. Carpenter, showing his standing.

Q. Did you ever state to Mr. Ames that this fee was paid subsequently to Mr. Carpenter by some other road?—A. Never in the world. I could not have stated it, for I never thought of it.

Q. Have you any other information beyond what you have given here that would aid this committee in making its investigation?—A. Without my personal knowledge there is nothing save and except what I learned in the course of my employment as counsel; but there is nothing that I know of even in that way that would be worth stating. I have various matters of information from others which I do not think proper to state.

Q. Second-hand information?—A. It is second-hand only. It might be John P. Randolph over again. I have taken a little pains myself since this copy of the anonymous letter was furnished me, to work up Mr. Randolph, (because I wanted to know his antecedents,) wholly independent of the Sergeant-at-Arms, and I have not been able yet to discover him.

WASHINGTON, D. C., *February* 13, 1873.

RICHARD FRAMSHOT sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Schenectady, New York.

Q. Are you in any way connected with the Central Pacific Railroad Company?—A. I have acted as agent of the company since 1866, I think.

Q. What have been the duties to which you have been assigned?—A. Watching over the interests of the Central Pacific Railroad Company, at Washington and other places, subject to the call of the president of the company.

Q. Where are the business offices of the Central Pacific Railroad Company kept?—A. I suppose in Sacramento, California; they have a branch office in New York, at 54 William street.

Q. I refer to the general business offices, where they keep the books and papers relative to the affairs of the Central Pacific Railroad Company?—A. I cannot tell you from my own knowledge. The general offices are at Sacramento.

Q. Who is the present president of the Central Pacific Railroad Company?—A. Leland Stanford, of California.

Q. Where does he reside?—A. At Sacramento.

Q. Who are the other officers of the Central Pacific Railroad Company, and where do they reside?—A. The vice-president, C. P. Huntington resides in New York City. I cannot answer positively as to the other officers of the road. Mark Hopkins, I think, is treasurer of the company. He resides at Sacramento. I may be mistaken in regard to his being treasurer or secretary.

Q. Were you connected with the road in the capacity you have named during a portion of the time it was being constructed?—A. I was not.

Q. Have you any knowledge or information as to the means that were resorted to for the purpose of constructing the Central Pacific Railroad?—A. I have not. I have no personal knowledge.

Q. Have you any information on the subject?—A. I have not, only hearsay.

Q. Do you know of any corporation, association, or organization of any kind, that was created for the purpose of taking contracts for the construction of the Central Pacific Railroad?—A. I do not, only from hearsay; I have no personal knowledge.

Q. From whom did you hear anything on the subject?—A. I cannot say; I think they have a contract company. The nature of it I know nothing about.

Q. Do you know the name or style of that contract company?—A. I do not.

Q. Do you know who were the parties who were its managing men?—A. I do not, only from hearsay.

Q. Have you ever heard from any of the officers of the Central Pacific Railroad Company who were the persons active in that contract company?—A. No, sir; I have not. It is called the contract company, or the finance company, or something of that sort; I cannot give the style of it.

Q. You had no active participation in the contract?—A. None whatever.

By Mr. HOAR:

Q. You have a general knowledge, I suppose, of the history of that road since 1866?—A. I cannot say that I have.

Q. What are your duties in relation to it?—A. I take charge of its business at Washington, and other places in the interim of the sessions of Congress. I am subject to the call of the vice-president.

Q. What is the interest of the company at Washington?—A. Nothing more nor less than the general interests of the railroad. We have to watch our interests here.

Q. What are they?—A. There are frequently questions coming up in Congress relating to the interests of the Central Pacific Railroad.

Q. Then you mean that you are an agent to watch the passage of bills through Congress which might affect the interests of the company?—A. That is so, in part.

Q. What other agency for the company have you in Washington?—A. Not any. I am subject to the call of Mr. Huntington.

Q. Are you a regular salaried officer of the road?—A. Yes.

Q. What is your salary?—A. My salary is $20,000 a year.

Q. And do you spend substantially your whole time here when Congress is in session?—A. Yes, sir.

Q. Are there any other agents of the company here while Congress is in session?—A. Not that I am aware of.

Q. Or officers of the road?—A. Not that I am aware of.

Q. The financial office of the company is at New York?—A. That is a branch office, I suppose.

Q. Where is the interest on their bonds paid?—A. In New York City.

Q. Do you know where the engineer's reports and the treasurer's books, covering the period of the construction of the road, and the period of preliminary surveys, are kept?—A. I do not.

Q. When you came into the service of the company in 1866, what persons or corporations were then engaged in the construction of the road?—A. I cannot tell you; I suppose their contract company. I have no familiarity with their business proceedings over there. I know nothing about them.

Q. Do you not know whether they were building the road on their own account, or through contractors?—A. I could only know it by hearsay.

Q. Were you ever told it by any officer of the road?—A. I think I was, but still I cannot recollect. I think they had a contract party.

Q. Who do you think that contract party was?—A. I cannot tell you all of them. I do not know that I can any of them. I have no knowledge of my own. It would be hearsay.

Q. I think we will inquire the hearsay from the general business agent of the road. What did you understand the fact to be as to who were the principal contractors for the construction of this road, at the time you came into its service, and since, till its completion?—A. I cannot give you an intelligent answer on that subject.

Q. Can you give the names of any persons or companies who, you have been informed, were the principal contractors of the road?—A. I cannot, only from hearsay.

Q. Give them from hearsay; from what information you have received.—A. I cannot tell you the members of the contract party.

Q. What was the name or style of the company?—A. I cannot tell you that; I think all that information can be got from Mr. Huntington.

Q. I am asking you who, from your information, were the principal

persons engaged in the construction of the road. If a corporation give the style, and if individuals give the names.—A. I do not know that I have ever been informed on that subject at all. I have an impression in relation thereto.

Q. You have a belief?—A. I have.

Q. Give that belief.—A. I think that a man by the name of Miller is one of the parties.

Q. Where does he live?—A. In Sacramento. I think Mr. Crocker is another.

Q. Where does he live?—A. In Sacramento.

Q. Anybody else?—A. Not that I am aware of.

Q. These are the only persons whom you believe to have been engaged in the construction of the road?—A. Whom I have any reason for believing.

Q. I ask you whether you have any belief on that subject. Are these all the persons whom you believe to have been engaged in the construction of the road, whose names you can recollect?—A. I cannot answer that question. I may believe that other parties were engaged.

Q. Then be good enough to state it if you do.—A. I do not think it was confined by any means to these two men.

Q. Have you in your mind the name of any other person or corporation whom you believe to have been engaged in the construction of that road?—A. I have not. I have no particular belief about it. I have no personal knowledge in reference to the matter whatever.

Q. Can you give us the names and residences of the persons whom you have understood to be the principal contractors, or any of them except these two men whom you have named?—A. My opinion is that the stockholders of the company were interested in the contract, but I know nothing about it personally. It is a mere matter of suspicion to me. I have no personal knowledge in regard to it.

Q. Do you know what the present capital stock of the road is?—A. I do not.

Q. You have no information on the subject?—A. No, sir.

Q. Or its present indebtedness?—A. No, sir.

Q. Do you know whether the road is mortgaged?—A. I presume it is. I know there is a first mortgage on it.

Q. For how much?—A. My opinion is that the first mortgage is for $35,000,000, beside the Government lien.

Q. Is the first mortgage the same amount as the Government lien—that is $50,000,000 for the two?—A. I presume it is.

Q. What is the length of the road?—A. About 900 miles. It is from Salt Lake to San Francisco.

Q. Do you know anything personally or from information of any efforts made or acts done by anybody connected with the Central Pacific Railroad Company to affect the election in the State of Wisconsin at the time that Senator Carpenter was elected to the Senate or shortly before?—A. I do not.

Q. So far as your knowledge extends, you negative that transaction entirely?—A. Yes, sir.

Q. Did you know of any retainer of Senator Carpenter about that time, as counsel for the company?—A. No, sir; I did not.

Q. Or of any money being sent to him?—A. No, sir; I have no knowledge on the subject.

Q. Either personally or from information?—A. No, sir.

Q. Where does the treasurer of the company reside?—A. At Sacramento.

Q. Have you ever been in the office at Sacramento?—A. Yes.

Q. Do you know where its archives are kept, whether they are kept in Sacramento or in New York?—A. They are kept in Sacramento. That is the general office of the company.

By the CHAIRMAN:

Q. In connection with this contract and finance company, (that is the style of it,) did you ever hear the name of Leland Stanford as being one of the parties?—A. Yes, sir.

Q. Did you ever hear of the name of Charles Crocker as being one of the parties?—A. Yes, I have said so.

Q. Did you ever hear of the name of Charles Marsh as being one of the parties?—A. I think I did.

Q. And of C. P. Huntington?—A. Yes.

Q. And of Mark Hopkins?—A. Yes.

Q. Are all these gentlemen interested in the Central Pacific Railroad Company?—A. Yes.

Q. And have been from the commencement of its organization?—A. I think so.

Q. You have heard their names mentioned as being parties who were interested in this constructing company?—A. That is the impression I got.

Q. What position in the Central Pacific Railroad Company does Charles Crocker hold?—A. I do not know that he holds any.

Q. Has he been a director of the company?—A. I think he has been.

Q. How long was he a director?—A. I cannot say.

Q. Is Charles Marsh connected with the direction of the company?—A. I think he was; whether he is now or not I cannot say.

Q. How long has Mr. Huntington been connected with the company?—A. I think since the beginning.

Q. And Mr. Hopkins?—A. I think also from the beginning.

Q. Is he still connected with it?—A. I suppose so.

Q. At what other points beside Washington are you called upon to discharge duties in connection with your company?—A. At no particular point. When any business occurs in the interim of the session of Congress, I am liable to be called upon to attend to it.

Q. What kind of business is it that you are called upon to attend to in the interim of Congress?—A. I cannot say; if anything occurs where I can be useful to the company, I am liable to be called upon to attend to it.

Q. Have you at any time been called away to look after business of the company?—A. I do not recollect now; I have, however.

Q. To what points have you been called?—A. I cannot say now; I have no distinct recollection of any specific thing.

Q. Have you been called, at any time, away from Washington to look after any specific business?—A. No, sir; not from the city of Washington.

Q. The business which you have been called upon to discharge, by virtue of your agency, has been at the city of Washington?—A. Yes.

Q. Have you no recollection of being called upon to look after the interest of the company at any other point?—A. No specific business; I cannot bring any to mind; I may have been away twenty times, but I cannot recollect now.

Q. If there had been any business of any considerable importance that you had been called upon to attend you would recollect it, I suppose?—A. Yes, sir.

By Mr. SLOCUM:

Q. Have you any knowledge of the Central Pacific Railroad Company ever having paid money or any valuable consideration to secure the election of any United States Senator?—A. I have not.

Q. You never have known of an instance of that kind?—A. No, sir.

Q. Or to secure the nomination of a Senator?—A. No, sir; nor of any member of the House.

WASHINGTON, D. C., *February* 13, 1873.

A. J. POPPLETON sworn and examined.

By the CHAIRMAN:

Question. What relation do you bear to the Union Pacific Railroad Company?—Answer. I am its attorney.

Q. How long have you been its attorney?—A. Since about the 1st of December, 1863.

Q. Where do you reside?—A. Omaha.

Q. Are you familiar with the management of the bridge and the transportation over it between Omaha and Council Bluffs?—A. I am somewhat familiar with it, although I am not entirely acquainted with all its details.

Q. How is the transportation over that bridge managed at the present time? State, if you know, whether there has been a contract made with any one, and if so, with whom, for the transfer of freight and passengers across that bridge.—A. The Union Pacific Railroad trains are made up on the west side of the river and the eastern-bound trains stop on the west side of the river. The transfer-train delivers business across the river between the Iowa roads and the Union Pacific Railroad. That transfer-train is run by the Union Pacific Railroad Company. It is run under the name, however, of the Omaha Bridge Transfer Company, which is to some extent a separate organization. Its accounts are kept separate.

Q. Did you ever see a contract entered into with one Homans, in relation to the transfer of freights across that bridge?—A. When the bridge was first opened a contract was made with one George W. Homans, for the transfer of freight and passengers over the bridge. That contract, I believe, I have seen. After working under it a short time, it was thought by some people, who were interested in the Union Pacific Railroad Company, that it was an unfavorable contract to the company; but on a close examination of it, it turned out that the contractor, instead of making money, was losing money, and by mutual consent the contract was canceled.

Q. How long is it since that contract was canceled?—A. My recollection is that it was in May last; I am not certain of the date, but that is my best recollection.

Q. Look at this paper, [handing to the witness a paper,] and say whether it is a schedule or time-card for the running of trains over that bridge.—A. It appears to be.

Q. What is the date of it?—A. It appears to be dated October 5, 1872.

Q. Is Homans still having control of an interest in the transfer of freight or passengers across the bridge?—A. He is nominally the controller of it.

Q. What interest has he in it now?—A. He has no interest in t transfer of freight and passengers, beyond the fact that he is paid small salary for the use of his name.

Q. Who pays him?—A. The Union Pacific Railroad Company.

Q. The Union Pacific Railroad Company is paying a man to mana the transfer of passengers and freight across this bridge, the proce of which do not go into the treasury of the Union Pacific Railro Company?—A. I mean to say that the bridge department pays hi as I understand; that is, the compensation of Mr. Homans comes o of the funds of the bridge and not out of the funds of the Union P cific Railroad proper.

Q. What charge is made for transferring freight across this bridge by the car or by the hundred-weight?—A. I think ten dollars per load of ten tons each.

Q. What charge is made for transferring passengers across t bridge?—A. Local passengers pay fifty cents each.

Q. What do other passengers pay?—A. I am unable to say. The are coupon tickets issued for the bridge. I do not know what the p portion is that is allowed for the transfer.

Q. You say that the trains western bound are made up on the w side of the river?—A. Yes, sir; the Union Pacific Railroad trains are

Q. Is there a change of cars by passengers at the eastern end of t Omaha bridge?—A. There is a change from the transfer trains to Iowa roads.

Q. Passengers going west; do they change cars at the eastern end the bridge?—A. Yes, sir.

Q. And again at the western end of the bridge?—A. Yes, sir; on Iowa roads they change on the eastern side, and they take the cars the Union Pacific Railroad Company on the western side of the river

Q. Is freight transferred in the same way?—A. Through freight not transferred.

Q. Have you any knowledge or information of any moneys of Union Pacific Railroad Company having been used for the purpose influencing or controlling a member of Congress or United States S ator?—A. None whatever at any time.

Q. Has the company ever furnished any money to you for such poses?—A. Never at any time.

Q. Do you know the lands on the Iowa side of the river, where it been contemplated to put a depot, or where there has been some of putting a depot?—A. Yes, sir; I am acquainted with the l spoken of as a site for the depot in case one should be built on the side of the river. I do not know that any one contemplates the struction of such a depot.

Q. Who owns those lands?—A. According to my recollection, t are in the neighborhood of 1,200 acres of land in all. About 150 a of it are held in the name of T. C. Durant, trustee, and is underst to belong to the Credit Mobilier. That is the ground where it has suggested that a depot would be constructed. There are adjoi tracts, which I think are held in the name of individuals, and have ordinarily understood to be held in the same interest; but I cannot the names of the persons holding them.

Q. Did you ever have occasion to examine as to the real ownersh those lands?—A. Not beyond these 150 acres that I spoke of.

Q. What are these 1,200 acres of land worth?—A. It is difficul estimate their value; because, as farming lands alone they would one price, and on the theory that they were actually to be used a

site for a depot they would perhaps have another value. I think that $100 an acre would be an outside price for any portion of the lands at the present time, independently of the prospective value that may grow out of the construction of the depot.

Q. Were you consulted in relation to the letting of contracts for the construction of the Union Pacific Railroad?—A. I was not. From the time when my connection with the road commenced until the 1st of January, 1869, my duties were altogether legal. I looked after the litigation and business of the company in that country, having, up to that time, but little to do, and being but little consulted in relation to the organization of the road east. Since that time my duties have been more general.

Q. Were you cognizant of the fact that, after fifty-eight miles of the road had been built west of the hundredth meridian, there was a proposition to extend the Hoxie contract over that fifty-eight miles?—A. I was not. I had no knowledge as to the operations of the Credit Mobilier, or of the seven trustees or contractors, save by common rumor, until I became acquainted with that transaction in the course of a litigation which arose after the road was completed, in the summer of 1870.

Q. At the time of the transaction, you had no knowledge of it?—A. No, sir.

Q. Was your attention called to the fact that fifty-eight miles, in addition to the six hundred and sixty-seven miles embraced in terms in the Oakes Ames contract, were allowed and paid for under that contract?—A. Never, until this morning.

Q. How many times have you been over the land of the Union Pacific Railroad, from Omaha west?—A. I cannot give the precise number of times, but I have been over the road at least half a dozen times.

Q. State the general character of the country through which the road was built, and whether there are any serious obstacles in the way of constructing a road along the line on which it is constructed?—A. From Omaha to the Elkhorn River, a distance of about thirty miles, the construction is somewhat difficult, the grades being steep on certain portions of it. From the Elkhorn River to within, say, forty or sixty miles of Cheyenne, so far as the surface is concerned, the route is very favorable for cheap construction, and very unfavorable, so far as timber, transportation, water, and other things are concerned. From Cheyenne west the route crosses first the Black Hill Range, and then the Rocky Mountain Range, and it is, in my judgment, a difficult route, and an expensive route for construction, not only on account of the face of the country, but on account of the difficulties of operating in that country at the time the road was built.

Q. Can you give a general idea of the features of the country where the road is located, whether there are heavy cuts and embankments necessary?—A. From Cheyenne to Sherman the grades are very steep, ninety feet to the mile, and there are frequent cuts through granite; and also in the descent to Laramie, the distance being fifty-two miles from Cheyenne to Laramie. It is difficult of construction, but not so difficult, by any means, as was originally anticipated.

Q. How is it beyond that?—A. From Laramie west, over from the Laramie plains, it is less difficult, although the expense and cost of the construction of the road, in that portion, was very much increased by the fact that the Government commissioners insisted that the road, instead of being built undulating with the surface of the plain, should be made uniform, and the track sunk below the surface. The result has been the snow-blockades, from which the road has suffered, and it has cost

the company a very large amount of money to remedy that difficulty. The company had to raise nearly a hundred miles of their track last summer for the purpose of avoiding snow-blockades. Then, crossing the crest of the Rocky Mountains, the grades are steep, and there are very heavy cuts through the rock. It is the same in reference to the descent. That country at the time the grading was done—at the time the track was laid—was destitute of water, and entirely destitute of timber. Nothing could live there, except as the materials for sustaining life were carried there. Water was hauled by the track-laying trains fifty to sixty miles, to supply the men, and provisions and supplies were hauled from the end of the track, with four-mule teams, for which we paid $25 a day. They could not be got for less. The difficulty was in pushing the road as rapidly as it was necessary to do. From Green River west to the Wahsatch Mountains there is substantially the same character of country. It is a difficult country to operate in. At Wahsatch commences the descent of Echo Canon. There was a heavy rock-tunnel which cost a very large amount of money. The road follows Echo Canon and another canon until it reaches the Salt Lake Valley. The whole line of construction I would regard as a very expensive one. The grades and cuts and bridges are expensive. The last section of the road, from Cheyenne west to Ogden, it should be remarked, was all built between the 1st of January, 1868, and the middle of May, 1869. Beyond comparison the most difficult portion of the road to construct was built in one year, while three years were given to the construction of the easiest part of the road.

Q. State what length of road received $48,000 per mile in bonds, and what length received $32,000 per mile in bonds, as stipulated in the eleventh section of the act of 1862.—A. I am unable to state precisely where the eastern base of the Rocky Mountains was fixed; but I think it was at or near Cheyenne. Assuming that as correct, there would be three hundred and seventy-one miles of road that received $32,000 per mile in bonds, and one hundred and fifty miles that received $48,000 per mile. I would like to say one thing in relation to the running of these transfer-trains over the Omaha bridge. The Union Pacific Railroad Company never admitted that it had any corporate power or existence in Iowa, or that it was amenable to the jurisdiction of Iowa in any form. It has always insisted that the Union Pacific Railroad commences on the west bank of the Missouri River, where the initial point was fixed by President Lincoln, on the eastern boundary of section 10, township 15, range 13, whence it was built westward; therefore the company has always confined its trains to the western bank of the river, and its arrangements have been made with reference to that theory of the law. Its shops and general offices are on the west bank of the river, and the trains are terminated and made up there. That is the reason for this transfer arrangement, the Iowa roads refusing to deliver their passengers on the west bank of the river, to the Union Pacific Road.

Q. I suppose that the Union Pacific Railroad Company refuses to take the Iowa trains on the east side of the river?—A. It refuses to send its trains over into Iowa to get the passengers from the other roads; but it is ready, as I understand, to transport the trains of the Iowa roads, with its own motive-power, to the western bank of the river, whenever they will consent to go there.

By Mr. SLOCUM:

Q. State the instructions given to you by the president of the Union Pacific Railroad Company, when you came on here from New York, at

the time of the raid?—A. My instructions were to deliver the papers which were put in my charge to Mr. Ames, to whom they were directed, and to cause them, if possible, to be put into the hands of some member who would exhibit the true state of facts on the floor of the House, in case the anticipated resolution was offered.

Q. How about paying out money?—A. I cannot say that I had any instructions on this subject, because, in my first interview with Mr. Clark, he declared, unequivocally, that he would not expend or authorize the expenditure of a dollar for any such purpose, and there the matter, to a great extent, ended. I cannot say I had any instructions on the subject; but Mr. Clark had declared repeatedly, and in the most explicit manner, that he never had authorized, and never would authorize, the expenditure of money for any such purpose. Of course that closed the whole question with me, and none ever was expended, to my knowledge, at any time.

I stated in my testimony that Mr. Homans was paid a nominal sum as proprietor or contractor of the bridge; that sum is $100 per month. I wish further to state, in reference to that bridge, that the Union Pacific Railroad Company has always held it a separate thing from the road. The act of Congress of 1871 authorized the mortgaging of the bridge for the purpose of raising money for its construction, separate and apart from the road; and the mortgage executed on the bridge provides that the funds realized from the earnings of the bridge shall be applied to specific purposes. For that reason, among others, the organization for the construction of the bridge, and its accounts on the books of its earnings, have been always kept separate from the general business of the road; and, as the company regards it, they cannot be safely or properly kept in any other way, as it is required that a certain portion of the earnings of the bridge shall go into the hands of trustees under the bridge-mortgage, to be applied in the payment of interest. The earnings of the bridge are, under the mortgage, to be applied, in the first place, to the payment of the interest; and, in the next place, to the repair and keeping in order of the bridge; and, in the third place, are to be invested as a sinking-fund, to meet the payment of the principal. All those things make it necessary and essential that the business of the bridge shall be conducted separately from that of the road.

WASHINGTON, D. C., *February* 13, 1873.

CHARLES T. SHERMAN recalled.

By Mr. HOAR:

Question. Were you ever a member of the committee to examine and settle accounts of the Credit Mobilier against the Central Pacific Railroad Company for the construction of a portion of the road embraced in the Hoxie contract?—Answer. I was a member of that committee.

Q. Do you recollect whether any statement was furnished to the committee in reference to the cost to the contractors for so much of the road as was embraced under the Hoxie contract?—A. I think not. I have no recollection of it, at least.

Q. What was the nature and character of your examination on that committee?—A. I can only recollect generally, it is so long since; but we took the Hoxie contract, ascertained the number of miles that were built, and the amount that was due according to its terms, and then

we deducted the payments that had been made. It was just a general account and statement.

Q. You made no inquiries as to the validity of the Hoxie contract?—A. No, sir; as I stated in my former examination, we regarded the Hoxie contract as valid and binding on the company.

Q. At the date of the committee's report, was the portion of the road which was built under the Hoxie contract thoroughly equipped, so as to be a compliance with the act of Congress?—A. It was thoroughly built, but not equipped as much as we insisted it should be equipped; but it was equipped according to the contract, which was $5,000 per mile for equipment. We claimed that it should be $7,500 per mile.

Q. The company was not entitled by the act of Congress to get bonds from the Government till the road was built and thoroughly equipped for operation?—A. The Union Pacific Railroad Company was entitled to bonds whenever the commissioners, appointed by the President to inspect the road, gave their certificates. We were not commissioners, and we knew nothing about the certificates, and were not responsible for them.

Q. But you would not have permitted the bonds to be issued to the Union Pacific Railroad Company, or have been parties to their issue, as Government directors, unless you were satisfied that the road was completed in accordance with the act?—A. I do not know that we had any control over that matter, except to report and represent the facts to the Secretary of the Interior.

Q. Did you, in fact, believe, at the time you made that examination, that the road was completed in accordance with the provisions of the act of Congress—so much as was covered by the Hoxie contract?—A. Yes; except that there were various opinions on the subject of the amount of equipment per mile. We claimed that it should be $7,500 per mile, and Dr. Durant and the directors claimed that $5,000 a mile was sufficient.

Q. I am asking you as to your opinion as to the compliance with the act of Congress. You say that you do not consider that you were responsible for that.—A. No, sir; we were not responsible for the issue of the bonds.

Q. But I ask you whether you supposed that the road was built and equipped in compliance with the act?—A. The act of Congress named no particular amount of equipment, but only that the road should be built and well equipped, according to the business of the road. We Government directors, under the advice of Mr. Williams, claimed that $7,500 per mile would be the amount which we should fix under the act of Congress.

Q. Then you mean to say that you did not think at the time that the road was completed in accordance with the act of Congress?—A. No, sir; not so far as equipment was concerned.

Q. You thought it would take about $2,500 per mile more?—A. Yes, sir; that was our opinion at the time.

WASHINGTON, D. C., *February* 14, 1873.

C. P. HUNTINGTON sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In New York.

Q. Have you at any time been connected with the Central Pacific Rail-

d Company; and if so, in what way?—A. I have been connected with
ince its organization, which was in 1861, I think.
Are you one of the original stockholders?—A. Yes; I was among
arly subscribers.
How much stock did you subscribe for originally?—A. I think
original subscription was fifty shares.
What was the whole amount of stock subscribed at the time of
organization of the company?—A. The laws of California, if I re-
ect correctly, required that there should be $1,000 a mile subscribed
10 per cent. paid in; that had to be done before they could organize,
that was done.
Where are the business offices of the Central Pacific Railroad
pany?—A. They have been always kept in Sacramento.
Are the records, books, papers, and documents, relating to the
tral Pacific Railroad Company, kept in the office at Sacramento?—
Yes, sir.
Do you recollect how many stockholders there were at the time
he original organization of the company?—A. I do not.
Had the amount of stock required by law been subscribed at the
e of the organization?—A. I have no doubt but it had been; on all
matters we had our legal advisers, and they told us what was to be
e, and we were always endeavoring to do everything exactly accord-
to law, and just as our counsel reported about such things, that was
e.
Do you know whether the 10 per cent. which was required by law
actually been paid in at the time of organization?—A. I have no
bt about it.
Did you pay in your 10 per cent.?—A. Yes; I paid mine in, and
od deal more, I believe.
Was that paid in cash?—A. Yes; I have no recollection of any-
g being paid in except in cash.
Who composed the first board of directors?—A. Governor Stan-
, Charles Crocker, Theodore D. Judah, Charles Marsh, Phil. Stan-
, Mark Hopkins, and myself. I am not sure that there were more
seven directors.
Can you tell how many subscribers there were to the capital stock
he time this organization was effected?—A. No; I cannot. I had
od deal of trouble in getting subscribers.
About how many were there?—A. I should think there were fifty
ixty. Our friends all paid down a little. I went up over the moun-
s and through to Grass Valley. I got a few subscribers there, and,
w at Dutch Flats, and a few at Nevada City.
Did those persons who were elected directors at this first organ-
ion hold the majority of the stock that was then subscribed?—A. I
uld think they did.
Have those persons whose names you have given continued in the
ction of the company ever since? If any of them have been left
who?—A. Mr. Judah died.
Has Mr. Leland Stanford been connected with the direction ever
e?—A. Yes.
Has Mr. Crocker?—A. No, sir; Mr. Crocker was overworked and
t out.
How long has he been out?—A. Some three or four years.
He continued in the direction from the organization of the com-
y in 1861, until three or four years ago?—A. Yes.
How long did Mr. Judah continue in the management?—A. Not

long. He came here to Washington and staid here till after the passage of the bill. Then he went back and was there some time—not over a year, I think.

Q. How long did Mr. Marsh continue in the direction?—A. My impression is four or five years.

Q. And yourself?—A. I have been a director ever since the organization of the company.

Q. How long did Mr. Phil. Stanford continue in the direction of the company?—A. I cannot say.

Q. Is he a director now?—A. No, sir.

Q. How long is it since he ceased to be a director?—A. I should think some four years.

Q. Is Mr. Hopkins still a director?—A. He is.

Q. Has he been so continuously from the organization till this time?—A. I think he has.

Q. What is the amount of capital stock of the Central Pacific Railroad Company?—A. The whole capital stock of the company is $100,000,000. The stock issued is about $54,000,000.

Q. After the organization of the company what means were resorted to for the construction of the road?—A. We commenced to build the road on our own means. We got some aid from the Government which we thought would let us through the mountains; but soon gold began to rise, (and we paid for everything in gold,) and we saw that we were going to have great difficulty. In fact, I made up my mind that we were not going to get through with the Government bonds and first-mortgage bonds. We then went to the State legislature, and the legislature agreed to pay the interest for twenty years on a million and a half of bonds. Gold kept rising, and we saw that we were still going to have difficulties. Our engineer's estimate was $88,000 a mile for getting across. Iron was $40 a ton when the estimate was made, and it went up to about $140. The expense of going around the Horn and taking the war-risks was so great that freights went up very high, and we cast about again, putting in our own money all the time, which was considerable. About that time the city of San Francisco voted to give us $600,000, or to take our stock to the amount of $600,000 and to give us $600,000, of their 7 per cent. bonds. Afterward the work looked so heavy that they did not like to take the stock, believing it was of no value. We finally compromised with San Francisco, and the city gave us $400,000 and did not take the stock, and they considered they had made $200,000 by the operation, so that we got $400,000 out of the city as a donation. We got then something from Sacramento County and something from Placer County; and we got across the mountains, although considerably in debt. That I believe answers the question as to how we got our means to build the road.

Q. What was the first contract that was let to build this road, and to whom was it let?—A. I have not the data to state the exact time, but it was let to a number of parties. Mr. S. D. Smith had a contract.

Q. For how much?—A. I think it was five miles. There were, I should think, eight or ten parties. I ought to know their names, but they are out of my mind now. We let it to them in that way, but there was a limited supply of labor there, and the parties got in one another's way. Several sections in advance were completed, and sections that were near were not completed; and we made up our mind that it was impossible to build the road in that way.

Q. What number of miles of the road were embraced in those eight or ten contracts to which you have referred?—A. Without giving the

exact distance, I think it was up to Dutch Flats, some seventy-four or seventy-five miles.

Q. What was done then in the way of making contracts?—A. I was here. Our people cast about to get up a company to build the road. They did let the contract to the Contract and Finance Company. They went to China for labor, and they sent over here to me for labor. Charles Crocker had a contract from the very first.

Q. Was that before this Contract and Finance Company was organized?—A. Yes.

Q. Was that on his own account or was it on account of a firm?—A. I do not know. I think some sections were let to Charles Crocker, and some to Charles Crocker & Co.

Q. Do you know who composed the firm of Charles Crocker & Co.?—A. I do not.

Q. Had you any interest in that firm?—A. I do not know that I had.

Q. Did you have any indirect interest in it?—A. No; I do not know that I had. Mr. Hopkins, my partner, who has been a partner of mine for twenty years in the hardware and metal business, and, in fact, in almost all the business I had, was attending to it on that side. I said to Mr. Hopkins, when I left, that in any undertaking there in the construction of the road he could take whatever interest he thought proper to take, but to take as little as he could, because we were doing a large hardware and metal trade, and I did not want to be embarrassed in it. I do not think he took any interest in it, but still I do not know.

Q. Who else were in the firm of Charles Crocker & Co.?—A. I do not know.

Q. How much of that road was embraced in that contract?—A. I do not know.

Q. Do you know at what rate per mile it was let to Charles Crocker?—A. My impression is that it was let per cubic yard.

Q. Do you know what this contract amounted to in the aggregate?—A. I do not.

Q. Passing from the Charles Crocker & Co. contract and the Charles Crocker contract, state what you know in reference to the organization of a corporation known as the Contract and Finance Company, and the purpose of that organization.—A. It was organized, as I understood—I was not there myself—more particularly to gather up labor sufficient and to get means sufficient to build the road.

Q. Was it organized also for the purpose of taking a contract for building the road?—A. That, I suppose, would follow.

Q. Under what authority was this Contract and Finance Company organized?—A. Under the laws of the State of California, as I understand.

Q. Who composed this company?—A. I cannot say. All of us cast about to get as many into it as we could.

Q. What was its capital stock?—A. It was $5,000,000, I think; I am not positive.

Q. Have you a copy of the articles of association, or charter, or whatever sort of instrument it was organized under?—A. No, I have not.

Q. Do you recollect how many subscribers there were to its stock?—A. No; I never saw the subscription list.

Q. Were you a subscriber yourself?—A. No; not myself. If I did subscribe, Mr. Hopkins, my partner, did it.

Q. Did Mr. Hopkins subscribe?—A. I think he did.

Q. Do you know to what amount?—A. I do not know.

Q. What was the firm's name?—A. Huntington & Hopkins.
Q. Did he subscribe in the firm's name?—A. I do not know.
Q. Was Mr. Leland Stanford one of the corporators in that Contract and Finance Company?—A. I do not know.
Q. Was Mr. Charles Crocker?—A. I do not know; I never have seen the subscription list; but, from common report, he was.
Q. Was Mr. Judah?—A. Mr. Judah died before it was organized.
Q. Was Mr. Charles Marsh?—A. I do not know.
Q. Were you an officer in the board of directors of the Central Pacific Railroad Company after it was organized?—A. Yes, sir.
Q. What position did you hold?—A. I was financial agent at the East, and business manager, and I did most of the business here at the East.
Q. I believe you stated that you are vice-president of the company now?—A. I am.
Q. When did you become vice-president of the company?—A. My impression is on its organization.
Q. Have you been vice-president ever since?—A. I believe I have.
Q. Was there a contract let to this Contract and Finance Company for building the Central Pacific Railroad?—A. I think there was; I have never seen it.
Q. Have you any doubt about it?—A. No, I have no doubt about it.
Q. How much of the road was embraced in that contract?—A. I can give my impression; I cannot give the exact number of miles—about six hundred.
Q. Have you a copy of that contract?—A. I have not.
Q. Do you know where it can be found?—A. It is in Sacramento, I have no doubt.
Q. When was that contract made?—A. I cannot say.
Q. Do you know who were the officers of this Contract and Finance Company at the time this contract was made?—A. Charles Crocker was president, but beyond that I cannot say. I am quite sure he was president.
Q. What other persons do you know of being officers of that company?—A. I do not know.
Q. Did Mr. Leland Stanford have any interest in it?—A. I do not know.
Q. Did you ever hear him say so?—A. If I did I have forgotten it.
Q. Was Mr. Hopkins an officer in that Contract and Finance Company?—A. I do not know that.
Q. You were the vice-president of the Central Pacific Railroad Company; I will ask you to state now if you know what amount was paid to this Contract and Finance Company for building the road?—A. I do not know.
Q. Have you any idea?—A. I have got an impression that they were to have so much in stock, and the balance in bonds.
Q. How much in each?—A. My impression is that they took all the first-mortgage bonds and all the Government bonds, and a certain amount of stock.
Q. How much stock?—A. I do not know; I do not think I have ever heard.
Q. Have you any impression on that subject?—A. No. My impression is that they took quite a large amount of stock. The price of the stock was merely nominal at that time.
Q. Did they pay in the money for the stock which they took to the

Central Pacific Railroad Company?—A. I would suppose that it would be counted cash on construction.

Q. I simply want to know the fact whether they paid in the money or not.—A. I cannot say. I suppose that they did pay the money for the construction of the road.

Q. You were the vice-president of the Central Pacific Railroad Company. Did you take any interest in the construction of this road?—A. I took great interest in supplying the materials. My associates in the company were gentlemen whom I had known twenty or thirty years, and Mr. Hopkins had been my partner for twenty-odd years. I had all confidence in them, and paid very little attention to matters myself. I shipped all the iron for the road, and all the locomotives, and all the materials; and that kept me very busy. They inquired very little about what I was doing, and I inquired but little about what they were doing.

Q. Did you sell the iron to the company?—A. I never had any iron to sell.

Q. Did you purchase the iron for the road?—A. Yes.

Q. By the contract with the Contract and Finance Company, was that company to build and equip this road?—A. Such is my impression.

Q. Did you purchase the iron for that portion of the road which the Contract and Finance Company was to build?—A. I purchased the iron for the whole road for the Central Pacific Railroad Company.

Q. Did you purchase it on account of the Contract and Finance Company?—A. I purchased all the materials for the railroad company.

Q. After the contract had been let to this Contract and Finance Company to build and equip six hundred miles of road, why was the Central Pacific Railroad Company purchasing iron?—A. We purchased iron for the whole road and sent it out there; and the Contract and Finance Company, as I understood, took it at what it cost to lay it there. We had to buy the iron a long time ahead. We had to contract for it.

Q. Had you already bought the iron when the contract was made with this Contract and Finance Company for these six hundred miles of road?—A. I should suppose we had; I am not positive. We had to contract in advance. I sent ten thousand tons of iron, if I recollect correctly, over the isthmus, for which I paid two cents per pound in gold for freight; and that was when gold was very high. I sent twenty locomotives over the isthmus, and I think I paid as high as $7,000 in gold as freight on them.

Q. I understand you, then, that before this contract was let to the Contract and Finance Company, the Central Pacific Railroad Company had already purchased the iron for the portion of the road which the Contract and Finance Company was to build?—A. Not all of it. I do not know that it had purchased any; but I should suppose that we had from our manner of buying in advance.

Q. Then you are not sure that any of it had been bought?—A. No; not quite sure; but I think it would be quite safe to say that we had bought iron.

Q. Had any considerable portion of it been bought by the Central Pacific Railroad Company before this contract was made?—A. I have not the data. That was during the war, in 1862 and 1863, and we bought along as fast as we could. I should suppose that some of it had been bought before the contract was let and some after that.

Q. In what way did you pay for that iron which you bought for the Central Pacific Railroad Company? Did you pay for it in money?—A.

Yes, we paid in money. We got time on a portion of it. It was a cash transaction, I think.

Q. How long time did you get on it?—A. I got twelve months on some of it.

Q. I suppose that the Central Pacific Railroad Company paid for this iron that was purchased by it?—A. Yes.

Q. This Contract and Finance Company did not pay for it?—A. It paid the Central Pacific Railroad Company for it, I suppose.

Q. I understood you to say awhile ago that this Contract and Finance Company got the Government bonds and the first-mortgage bonds?—A. I do not state that positively; that is my impression.

Q. If that is so, from what source did the Central Pacific Railroad Company get money with which to pay for this iron?—A. I sold its securities here for the Central Pacific Railroad Company, and every month I gave our people a memorandum.

Q. How long was this Contract and Finance Company engaged in building that portion of the road which was embraced in its contract?—A. I do not recollect. I think we built five hundred miles of the road in nine months. I know that they had to haul out everything that they used. There was only one man, I think, living between the Big Bend of the Truckee and Brigham City, six hundred miles; and everything had to be hauled that distance.

Q. Do you know what profits were made by this Contract and Finance Company on that contract?—A. I do not. My impression is that there was nothing made but some stock of the Central Pacific Railroad Company.

Q. How much of the stock?—A. I do not know; but some considerable.

Q. About how much?—A. I cannot say. We used the stock sometimes to borrow money on, and we sold some. In fact, we had to use as collaterals everything that we had before we got through. The stock would probably not have been good for more than 10 per cent. as collateral.

Q. Do you know anything in relation to dividends having been declared by the Contract and Finance Company?—A. No, I do not.

Q. Did you ever participate in any dividends yourself?—A. Yes; I think I did.

Q. What did you receive in the way of dividends?—A. It would be impossible for me to say. I was using a good deal of money, and was carrying on my hardware and metal business, and they were all mixed up together. What I got hold of I sold, and used the money again to pay debts.

Q. Can you not give the committee some estimate, some approximation of what you received as dividends, and in what you received them?—A. I never received any Government bonds at all.

Q. Did you receive any first-mortgage bonds?—A. I never received any first-mortgage bonds, I am sure.

Q. You had a second mortgage on that road, I believe?—A. We had a million and a half of bonds, which we called State aid

Q. Was there not a second mortgage on that road?—A. No; we had a land-grant bond.

Q. Did you get any of them?—A. I think I had a few of those land grant bonds.

Q. And you had some of what you call State aid bonds, did you get any of them?—A. No.

Q. How many land-grant bonds did you get?—A. I cannot say. I not get many.
Q. About how many?—A. I really cannot say how many. I got them w at a time.
Q. Did you get any stock?—A. Yes, I got some stock.
Q. How much?—A. I do not know. Mr. Hopkins keeps a memoran- n of that.
Q. Do you not understand about how much stock you had of that pany; have you no idea?—A. No, sir.
Q. Can you tell the committee within one hundred shares how much ck you had?—A. No.
Q. Can you tell within one thousand shares?—A. I do not think I
Q. Can you tell within two thousand shares how much stock you ?—A. Yes; I think I can tell within one thousand shares probably. hould think I had something in the neighborhood of a million dol- of stock.
Q. How much did your partner have?—A. I do not know that. I ppose he has got about the same. We have bought and sold stock metimes, and borrowed money on stock.
Q. How did it happen that you received dividends in this Contract Finance Company; I understood you to say that you are not a mem- of that corporation?—A. I certainly do not know.
Q. If you do not know that you were, how did it happen that you eived this large amount of dividends of which you have spoken?— I do not know. I trusted these things altogether to Mr. Hopkins.
Q. Where did you get this million dollars of stock?—A. I do not w that it was dividends.
Q. If you did not get it as dividends how did you get it?—A. We are ty large operators in all kinds of securities, and may have got it in t way.
Q. Did you buy this million dollars of stock in the open market?— It was not sold in the stock-market. If it was bought it was picked from contractors.
Q. I want to know whether you did pick it up from contractors?—A. o not know.
Q. Do you wish the committee to understand that you do not know w you acquired that stock?—A. No, I do not; but really I am rather orant of those things that were done on the west coast there. As I d before, I had great confidence in my associates there. They did business as they did their own.
Q. Do you wish the committee to understand that you did not get stock as a division of profits made by that Contract and Finance mpany?—A. No, I do not.
Q. Do you wish the committee to understand that you did receive it division of profits?—A. No; I am not positive about it. I said I had interest that I was positive of in the Contract and Finance Company. resume that I had, and I believe I so stated. Mr. Hopkins attended that thing.
Q. If you had an interest in the Contract and Finance Company, to at extent was that interest?—A. I do not know.
Q. Can you give us any idea as to the extent of that interest?—A. I really cannot.
Q. Did you have five shares of stock in it, or an interest to that ount?—A. It would be fair to presume that if I had any, I had con- erably more than that.

Q. Can you tell us within a hundred shares the interest you had in that Contract and Finance Company?—A. Really, I never saw the subscription list.

Q. And have no idea of how much you had?—A. Really, I have no idea; and I do not know what the capital stock is. I believe it is five millions.

Q. How many stockholders were there, as nearly as you can recollect?—A. I do not think I ever heard.

Q. Who were the principal stockholders in that Contract and Finance Company?—A. I do not know that, for I never saw the list.

Q. Were you present when the contract was made with that Contract and Finance Company?—A. No, sir.

Q. Had you anything to do with that contract?—A. Not that I recollect. I have been on this side. I have been here for eleven years, almost all the time.

Q. By whom were the contracts made on the part of the Central Pacific Railroad Company to build this road?—A. The Central Pacific Railroad Company, I suppose, would represent the one side, and the Contract and Finance Company the other side.

Q. I want to know who were representing the Central Pacific Railroad Company in making these contracts. Did you have an executive committee, a contracting committee, or in what way was it done?—A. I do not know; I have not been in California probably (except for a few days at a time) in eleven years, and I never looked into these matters.

Q. Do you know what the net earnings of the Central Pacific Railroad Company are now?—A. I do not know. I can make a statement. The figures are easily obtained.

Q. Do you know what its present indebtedness is?—A. My impression is that the Central Pacific Railroad Company owes little or nothing outside of its bonded debt. We have taken great pains to make the Central Pacific Railroad a solid, paying road. Wherever we could run branches to advance the interest of the main road we have done so. I have attended to matters on this side, and can tell you pretty much all that has taken place on this side, but very little of the other side.

Q. Do you know what the floating indebtedness of the company is?—A. My impression is that we may say we have no floating debt. We may have a small floating debt, but it is covered by cash, or by something equivalent to cash.

Q. What has been done by the Central Pacific Railroad Company in the way of consolidation with other roads?—A. There is the California and Oregon road; there is the San Joaquin Valley road, and there is the Western Pacific road.

Q. And the Southern Pacific?—A. No; that is another organization entirely. It runs into another system of roads. There is the Oakland road, I think, and there is the Alameda road.

Q. Are those roads now all under the direction of the Central Pacific Railroad Company?—A. Yes.

Q. And all controlled by the parties who control the Central Pacific Railroad?—A. I believe they are.

Q. Was the stock of those roads purchased by the persons who control the Central Pacific Railroad?—A. That was done by consolidation. It would naturally be by consolidation.

Q. Are there any ferries connected with any of those roads?—A. My impression is that those ferries at Oakland belong to the Central Pacific Railroad Company.

Q. Any others?—A. No; except the one from Alameda Point. I nk that belongs to the Central Pacific Railroad Company.
Q. Do you think of any other ferries?—A. No, I do not think of any ers.
Q. What steamboat lines does this Central Pacific Railroad Company n?—A. I think we own the line from Sacramento to San Francisco. at is a matter which I would not be positive about. I am answering se questions just as I think, and without positive knowledge.
Q. Does the company own any steamship lines?—A. I think I am ite safe in saying that not one of us owns a share in any outside amship stock.
Q. I only have reference to the Central Pacific Railroad Company elf?—A. I think it has not any interest in steamship lines. I am ite sure it has not.
Q. I believe you stated a while ago that you got some aid from cer County, in California?—A. Yes.
Q. Did the Central Pacific Railroad Company have some litigation h that county on account of the stock which the county had sub- ibed?—A. I do not know that it had. There was a party there who d he would commence a suit; but if he did I do not know.
Q. Do you know what he was going to bring a suit about?—A. I do t know.
Q. Are you aware of the fact that suit was brought in that county?— No, I am not. I may have heard of it; but if I have it has passed t of my memory.

By Mr. SHELLABARGER:

Q. Who was president of this Central Pacific Railroad Company en you began to be its vice-president?—A. Leland Stanford, I think.
Q. How long did he continue to be its president?—A. I think from t time to this.
Q. Who was the active man of the Central Pacific Railroad Company ring the period of the construction of the road; and who would be le to give the committee most information in regard to those matters ich you have been asked about?—A. My impression is that Mr. Stan- d would, or Mr. Hopkins, or Mr. Crocker. Up to a certain time, Mr. ocker would know more about it than anybody else, but he would not able to give any information in regard to present matters.
Q. Where are those gentlemen whom you have named?—A. They in California. Governor Stanford was here after this question came , and staid here some few weeks.
Q. Has the Central Pacific Railroad Company been in the habit of eping in the eastern portion of the United States any books that uld show the condition of its affairs and transactions?—A. No.
Q. Never?—A. Never. As to purchase of materials, I have done all that, and every month I have sent out a statement, and the people re put it on their books and distribute it.
Q. Are there in the eastern portion of the United States any books w that will show the transactions about which the chairman has in- red; or would they have to be obtained from the Pacific side?—A. e never have kept any records of those things here.
Q. Are there none here now as far as you know?—A. No, sir.
Q. What was the date, as nearly as you can tell the committee, of the anization of this Contract and Finance Company?—A. It is a mere pression that I can give at best, and I might be years out of the way. hould say, however, that it was in 1865.

Q. How much of the road had been made, if any, prior to the organization of that company?—A. I should say about one hundred miles. I may be out of the way in these answers.

Q. Where did the one hundred miles begin at the western end?—A. At Sacramento.

Q. And running——?—A. Running eastward to the Sierra Nevada.

Q. How was that constructed; was it by contract, or was it constructed directly by the Central Pacific Railroad Company itself?—A. It was constructed, I think, in small contracts. I know there was a good deal of trouble in getting labor. They said that they had great trouble in working up to the requirements of the law with these small contracts.

Q. When was that one hundred miles constructed which was made before the organization of this Contract and Finance Company?—A. We got to work in 1863, I believe.

Q. And you worked along till 1865?—A. Yes.

Q. Did you draw upon that hundred miles the Government bonds to which you were entitled by act of Congress prior to the formation of the construction company?—A. I should say we did.

Q. Had you disposed of those bonds, before the construction company came into operation, that you had so drawn, including the first-mortgage bonds of the company?—A. Yes, sir; I think we sold the Governments in advance of getting them. When I commenced buying locomotives for the road we paid $11,000 each for them. We had subsequently to pay $32,500 for them. These things cramped us somewhat and we had to sell the bonds in advance, agreeing to deliver them when we received them.

Q. What did you get for the Government bonds and the first-mortgage bonds prior to the date of the construction company?—A. We commenced selling the Governments at 90.

Q. Is that the average price you got for them?—A. My impression is, that was about the average. They were a new thing, and we had some difficulty in disposing of them.

Q. How about your first-mortgage bonds?—A. We sold those at 85. We had considerable expense in selling them; advertisements, commissions, &c.

Q. Were those contracts, which were let prior to the formation of the construction company, let upon actual surveys and estimates, both of quantity and of cost?—A. Yes, sir; I think so. I know they were over the mountains, and, in fact, I am quite positive they were the whole distance. If it would be proper, I would like to say that in taking the material out for 600 miles, where there were no inhabitants, it was next to impossible to let the contract, except to one party, because the contractors at the front would never get any men; all the others would pick them up before they got there.

Q. I am now confining my inquiry to the one hundred miles let prior to the formation of the construction company; that, you say, was let, according to your recollection, upon actual estimates?—A. Yes, sir.

Q. What did it cost, as near as you can recollect; I mean cost, in actual payments to men and materia', to build the road?—A. My impression is that the road cost fully $100,000 a mile in gold. I heard the governor say the other day—I was refreshing my memory on the subject—that the three miles of snow-galleries cost us $100,000. That is where the snow comes down in avalanches, and we have galleries to cover the road. We have twenty-five miles of sheds, and they cost a great deal of money.

. Now we come to this construction company period. Was that a oration or a copartnership?—A. It was an organization under the s of the State of California.

. The chairman puts in my hands what purports to be a bill in ncery of the 14th judicial district of California for Placer County, in ch bill the county of Placer is plaintiff and a large number of de- lants; and on this point, in regard to the organization of the con- ction company, he calls my attention to a statement in the bill ch I will read to you. One of the averments is, "that afterwards, it, on or about the 18th day of November, 1867, the said defendants, ntington, Hopkins, Leland Stanford, C. and E. B. Crocker, and rs others, their associates and confederates, to plaintiff unknown, bined and confederated together to cheat and defraud the plain- and other stockholders of the Central Pacific Railroad Company the said Central Pacific Railroad Company, and fraudulently to uire and appropriate to themselves, without consideration or a just ivalent, large profits and gains and large amounts of the assets and perty of the said Central Pacific Railroad Company, organized them- es and some of their servants and employés to plaintiff unknown er the laws of the State of California, into a corporation styled 'The tract and Finance Company,' for the purpose of taking contracts for construction of subdivisions of the railroad and telegraph line of the Central Pacific, and the appurtenances necessarily connected there- , and the equipping and furnishing of the same." Now, the first stion I wish to frame upon that statement is, whether this construc- company was organized under the laws of the State of California?— As I understand it, it was. I guess there is no doubt of it.

. Was that organization about the date of the 18th of November, ?—A. It may be if that statement says so. I supposed it was ear- than that.

. Among the persons stated as forming that organization are in- ded Huntington, Hopkins, Stanford, C. Crocker, E. B. Crocker. re those gentlemen among the men who formed that organization?— I do not know, except from common report. I have never seen the scription-book.

. Were you one of those persons so associated under the laws of ifornia?—A. I suppose so, if that answers the question. I believe n the gentleman referred to there.

. Did you yourself take part in that organization, or was your name l without your knowledge or consent?—A. If my name was used it perfectly right and proper to be used. Mr. Hopkins had a right to my name as he thought proper. I told him that whatever he did in rd to the construction of the road I would do also.

. At this time were you an officer of the Central Pacific Railroad pany?—A. I have been vice-president of the company from its or- ization down to the present time.

. Were you a director also?—A. Yes, sir.

. Was Mr. Hopkins connected with the Central Pacific Railroad pany?—A. Yes, sir; I think he has been director ever since it was nized.

. Was Mr. Leland Stanford an officer or director of the company?— My impression is that he has been president of the company since rganization.

. Was Mr. C. Crocker also an officer of the road?—A. I do not k he has been. I do not think he ever was with the board but a t time.

Q. Was he a director at that time?—A. I think not.

Q. Was he a stockholder?—A. I suppose so.

Q. Was Mr. E. B. Crocker a director or stockholder, or both?—A. My impression is that he was a director; and you have to be a stockholder to be a director, as I understand the law.

Q. At what date was the contract made for constructing a portion of this road by the corporation styled "The Contract and Finance Company?"—A. I could not say.

Q. How much of the line of the road did the first contract which they took cover?—A. I could not answer that.

Q. Answer as near as you can.—A. I do not know. My impression is that the Finance Company built about six hundred miles of the road.

Q. You said it was nearly impossible to let that road except in large tracts; was that true at the date of this letting—the first letting of the contract to the Finance Company?—A. Yes, sir. I think that the committee will see that it would have been impossible when they understand the circumstances under which the road was built. The Union Pacific people were pushing on with fearful speed and reckless expenditure to drive us out of the Salt Lake Valley—to drive us out of that business. We did not expect to have any local business on the four hundred miles of the eastern portion of our road, although I am happy to say it has since been developed and proves to be very satisfactory. We felt very anxious to have the road reach the Salt Lake Valley, so as to participate in that trade, and we thought it a vital point that the road should be pushed on to meet the Union Pacific about where we did meet it. I made an overland trip across the continent of thirteen hundred miles in the winter to see how they were getting along. They were moving camps, paying double wages, &c.

Q. At the formation of this constructing company, what proportion of the stock of the Central Pacific road was owned by the persons that became members of the Contract and Finance Company?—A. I have no idea.

Q. Was it half?—A. I have no idea at all.

Q. Can you not approximate?—A. No, I could not. I never saw the books.

Q. Do you know what amount of stock had been issued at this particular date, November, 1867?—A. No, I do not.

Q. Another averment in the bill from which I have read to you is, that after the organization of the Contract and Finance Company, all the contracts made and entered into in the name of the Central Pacific Railroad Company for materials to be furnished and for work to be done were by Leland Stanford, Charles Crocker, and their confederates, composing a majority of the directors of the Central Pacific Railroad Company, voted to be let, and were in fact let, and entered into by the Central Pacific Railroad Company of the one part and the Contract and Finance Company of the other part, without advertising the same, and without in any manner inviting competition therefor. Now, the first question I desire to ask you is, whether at that date you had any personal knowledge of that first letting to the Contract and Finance Company?—A. My impression is that I did not know anything about it at that date.

Q. Tell me whether you were in California at the period of the first letting.—A. There was three years that I was not in California at all; if I recollect correctly, from about 1863 to 1866.

Q. Were you present at any meeting or interview which had regard to the formation or organization of this Contract and Finance Company?

A. My impression is that I was not. If I had been in California I ould have been at the meeting, and I have no recollection of being re at the time.

Q. Who represented your interest in the matter?—A. Mark Hopkins y partner.

Q. He was there?—A. There would not have been much done for me ess he was there. He lived in California at that time.

Q. What is the fact as to the first contract being let, as stated in this , without in any manner inviting competition, or advertising?—A. I ould have considered that to have advertised would have been so ch wasted as was paid for advertising.

Q. That is not the question. The question is whether it was adver- d?—A. I do not know.

Q. You know nothing about the fact?—A. No, sir.

Q. What extent of road was let in the first letting to the Contract Finance Company?—A. I cannot say. I am quite familiar with st things done on this side, and I know very little about the matters e on the other side.

Q. What was the stock of the Central Pacific Railroad Company th in cash at the date of the formation of this Contract and Finance mpany?—A. My impression is that it would not have brought in the rket ten cents on the dollar.

Q. Do you know what the stock that was owned by the persons who ered into and became members of the Contract and Finance Company t in cash to those who then held it?—A. I do not know. The stock t we took originally was paid for at par, but much of it was taken the friends of the enterprise. This man took $1,000 and that man k $1,000, saying that they were willing to give that in order to get railroad, and that they never expected to see any dividends.

Q. Was that which was originally subscribed paid up in cash, as far you know, according to the requirements of the charter?—A. I sup- e it was.

Q. Was yours?—A. I suppose it was.

Q. You do not know?—A. Mr. Hopkins attended to all those matters. o not suppose that any stock was issued until it was full paid.

Q. Now, take that which was not originally subscribed, but which was ed by those gentlemen who went into the Contract and Finance mpany, and tell me what it cost them.—A. That I cannot say.

Q. Can you tell what yours cost you which you then held and did not ginally subscribe for?—A. No; I have not any idea.

Q. Would ten cents on the dollar be about as near as you can tell?— I suppose my stock cost me a good deal more than that. The trade ng the line of the road is developing, and it looks now as though the ckholders would all get dividends before a great while.

Q. I find the next averment in this bill to be that under the fraudulent illegal pretense of paying for the said materials, work, &c., which lly in fact had been furnished and done by the said directors and con- rates for their own benefit, the said last-mentioned directors and federates from time to time voted to pay and deliver, and make over the name of the Central Pacific Railroad Company to the said Con- ct and Finance Company and its confederates, large sums of money, large amounts of bonds, lands, and other valuable assets of the said tral Pacific Railroad Company of great value, to wit, of the value $225,855,618.17. Now, do you know of any dividends made to the tract and Finance Company at or about the period of November 6, 7?—A. No; I do not. I do not know where they got those figures, ause that is twice the value of everything we have.

Q. Do you know of any division or payment made in the way of division of profit by the Contract and Finance Company to its members?—A. I do not know. I cannot answer the question. I have no doubt but that they have made some dividends.

Q. You said awhile ago, in answer to the chairman, that you had received dividends, or something that amounted to that, and that as near as you could state the amount of the stock that you held amounted to $1,000,000. State whether you wish to be understood that that $1,000,000, or whatever the amount is, is what you have derived in the way of dividends as a member of that Contract and Finance Company?—A. I cannot say.

Q. Who can say? Tell us where we can get the information which we seek on that point.—A. If Mark Hopkins does not know I do not know where you can get it. We have endeavored to construct everything on high grounds.

Q. This Contract and Finance Company you have said was a joint stock company?—A. It was an organization under the laws of California, as I understand.

Q. What amount in dollars was each share of stock?—A. One hundred dollars, I think.

Q. How many shares did you and your partner own?—A. I do not know. I have not the most distant idea. I am sorry to say so, because if I had an interest there I should like to know just what it was. I do not know anything about it.

Q. Do you know how that stock of the Contract and Finance Company was paid for?—A. I do not know.

Q. Who supplied the funds to pay for the shares of the Contract and Finance Company which you and your partner owned?—A. I do not know. That was in California, and was something that I did not know anything about.

Q. What is the stock of the Central Pacific Railroad Company worth now?—A. It has no market value; it never has been put on the market. It is growing in value, we think. The local business of the road is growing very fast, and we do not know what the stock is worth.

Q. Have you any knowledge as to how many persons are now stockholders in the Central Pacific Railroad Company, and who are entitled to vote in its elections?—A. I cannot say.

Q. Can you give us any idea whether they are a large number or a small number?—A. No; there are quite a good many.

Q. How many men own a majority of its stock?—A. I cannot answer that question.

Q. Can you give us any idea whether they are few or many?—A. My impression is that there are not a great many.

Q. As many as half-a-dozen?—A. I guess more than that, a good deal. The stock has changed hands, and it has gone out.

Q. Is not a majority of the stock of the Central Pacific Railroad Company owned now by less than a dozen men or a dozen firms and men put together?—A. That is possible.

Q. Do you not understand that to be the fact—that less than twelve men or firms control the majority of the stock of the Central Pacific Railroad Company?—A. Without being positive, as I said, it is possible.

Q. You say it is possible. Now give us your best information and knowledge in that regard.—A. I do not like to state a thing which I do not know. Perhaps I may say it is probable that it is controlled by a dozen.

Q. Have you not an impression upon that subject?—A. It is rather my impression. Perhaps that is a better word.

Q. What is that stock worth now, as nearly as you can tell, to men who should want to invest in it?—A. It has never declared any dividend. I really do not know. I suppose that if we should go and offer the stock on the market it would bring very little. I think pretty well of it.

Q. Would it bring anything from the men who are most intelligent about its affairs?—A. I doubt whether it would bring anything if you offered $1,000,000 of it on the New York stock board to-day.

Q. Offering the quantity that would command the best price and competition from purchasers, and offering it to the men who knew the most about the prospects and condition of the company, what, in your judgment, would be a fair price for the stock?—A. I think that if the Government would live up to its contracts with the company, and if the company was not to be disturbed——

Q. Understand the question. Taking things as they are, the question is, what that stock will bring from men who are most intelligent as to its affairs, and as to everything that affects its affairs, as things now are?—A. I have hardly anything to base an answer upon. The parties who have got it, so far as I know, have got all their money in it, and have not got much money to buy any more; and if you were to go out and try to pick up new men, I have no idea that you could get any price for the stock.

Q. Is it not changing hands somewhat?—A. Not much.

Q. To any extent?—A. I have not known of any sales for a long time.

Q. What prices did the stock bring in the sales that are known to you as last made?—A. I do not recollect any sales being made in a considerable time.

Q. Have you bought any of the stock of the Central Pacific Railroad Company for money?—A. Yes; I bought some of the stock a good while ago.

Q. What did you give for it?—A. I do not recollect what I did pay. It was a good price. Judge Sanderson, our attorney, stated at one time that he had some doubts about the increase of the capital stock, and I bought a little of the stock at about par. Afterwards he said he was entirely clear on the matter, and then I refused to buy any more. It was a little stock out of the old $8,500,000. After he had stated that the things were clear in his mind, and that everything was perfectly legal, I refused to buy. There were only a few shares of it out that there were any threats about.

Q. What amount of land-grant bonds, in the aggregate, have been issued by the Central Pacific Railroad Company?—A. About $9,000,000.

Q. About what amount has been sold by the company?—A. That amount. The mortgage is $10,000,000.

Q. They are secured by a mortgage on the land granted by Congress?—A. Yes.

Q. Do you recollect about how much they realized to the company, and how the company got its pay for the land?—A. My impression is that they went into the construction and equipment of the road.

Q. They were put in by the company as pay for the construction?—A. Yes.

Q. The Contract and Finance Company got all those bonds, I suppose?—A. No; I suppose not.

Q. Do you know what the Central Pacific Railroad Company got for those bonds that it sold itself, and that were not paid to the Contract and Finance Company?—A. No, I do not. I did not sell them. The Central Pacific Railroad Company has, at this time, about $1,000,000 of those bonds.

Q. Does the Central Pacific Railroad Company own any of its first-mortgage bonds?—A. No, sir. The company does not own any of its bonds.

Q. Nor any of the Government bonds either?—A. No, sir.

Q. What has the Central Pacific Railroad Company got left in the way of assets?—A. It has got about one thousand three hundred miles of first-class roads, as well equipped as any road in America, I guess, for its business. It has got the best machine-shop in the United States, I believe. It makes its own locomotives and has put up as many as eight cars a day in its shops at Sacramento. Then it has about forty-six millions of stock.

Q. You mean stock that has never yet been subscribed for or issued?—A. Yes; the capital stock of the company is $100,000,000.

Q. That represents no value except the value which inheres in the franchise?—A. It is one of those things which, when the road pays dividends, will be a good thing to sell if the company wants to put down a double track.

Mr. HOAR. But at present it is the mere right to acquire $\frac{46}{100}$ of the entire property of the road at the price of $46,000,000, or any similar proportion.

The WITNESS. Yes.

Q. What else does the Central Pacific Railroad Company own?—A. It has got about $1,000,000 of these land-grant bonds, and it has got some money.

Q. How much money?—A. I do not know; enough to pay its debts, I guess.

Q. Can you not even give the slightest idea—$1.00, or $100,000,000?—A. It is not $100,000,000. I suppose the company ought to have from one to two million dollars.

Q. It is your opinion that that is the amount it has?—A. I think so.

Q. And it has no floating debt?—A. No floating debt. We have a little floating debt; and then we have $1,500,000 of California and Oregon bonds, or Central Pacific bonds on that branch.

Q. That is a mortgage on a branch road that is part of your line?—A. Yes, it is included in our 1,300 miles.

Q. Then that is an undisposed of mortgage on your own property?—A. Yes, but these bonds are marketable any day.

Q. And the selling of them and realizing on them will increase by just that much your own debt, of course?—A. Of course it would increase the funded debt.

Q. Now, on the other side, you have the indebtedness which is represented by the Government subsidy bonds?—A. Yes.

Q. That is how much in the aggregate?—A. About $25,000,000, or a little over.

Q. And your own first-mortgage bonds are how much?—A. The same amount.

Q. And that is the extent of your indebtedness, is it?—A. Yes, and $1,500,000 of State aid.

Q. Is there anything else that you owe either on the main line or the branches?—A. Yes, on the San Joaquin Valley road we owe about $6,000,000.

Q. How is that secured?—A. By a mortgage on that branch.

Q. They are bonds issued and sold, and held by third parties?—A. Yes.

Q. Does the company owe anything else on the main line or any of its branches?—A. Yes; on the California and Oregon branch. We put a mortgage on that, and the bonds are issued only as the road is built. We have it built to the amount of about $8,000,000, I believe.

Q. Is that road also subsidized by the Government?—A. Yes; by a land-grant.

Q. Not by bonds?—A. No; only a land-grant. The San Joaquin Valley road has no land-grant and no aid from the General Government. That road is 150 miles in length.

Q. What proportion of the annual interest accruing on the Government bonds has the Central Pacific Railroad Company paid to the Government, and how has it paid it?—A. That I cannot answer, but it is a matter easily ascertained.

Q. Can you state whether, in that regard, the Central Pacific Railroad Company has been dealt with in the same manner as the Union Pacific Railroad Company?—A. I suppose it has been. If the Government would give us its business, instead of sending it round Cape Horn, as it does, we would be able to pay all the interest.

Q. Suppose the Government should require the payment of the whole of the interest that accrues semi-annually on these Government bonds, except what is paid by the company in the way of transportation, would the Central Pacific Railroad Company be able to meet punctually the interest as it accrues?—A. I have no doubt myself but that the Central Pacific Railroad Company can meet all its legal obligations.

Q. That does not answer my question. My question is whether, if the Government should require the payment of all the interest on all its bonds, could the Central Pacific Railroad Company, in that case, pay that interest, and also pay the interest on the residue of its bonded debt as it falls due?—A. I have no doubt but that it could. We have just commenced putting down steel rails on the road, and we expect to have steel rails on all the road in five years.

Q. What is in round numbers, as near as you can tell, the net annual earning of your road?—A. I have not the figures in my mind so clearly as to state it; I was looking over it the other day to see what was the net earnings after paying interest and everything, and it amounted to some $3,000,000.

Q. Keeping out of the account all matters of interest, just contrast the gross earnings of the road with the outlay for running expenses, and exclude the wear and tear and the depreciation of stock and track, but simply subtract from your gross earnings the necessary running expenses, and state what the net earnings of the road are as ascertained in that way.—A. I understand the question to be how much the road earns over its running expenses; the road earned this last year over its operating expenses about 60 per cent.; we run the road for little over 40 per cent. outlay, and the gross receipts were twelve millions eight hundred thousand dollars odd.

Q. Then your net earnings would be 60 per cent. on the gross earnings?—A. The earnings over operating expenses would be a little under 60 per cent.; the operating expenses are over 40 per cent. but under 42, and the gross earnings were twelve million eight hundred thousand dollars odd.

By the CHAIRMAN:

Q. Do you embrace in the operating expenses the cost of maintaining the road?—A. Most assuredly.

Q. And the renewal of iron?—A. Yes.

By Mr. SHELLABARGER:

Q. You do not include in it the laying of new track for any considerable distance?—A. We have done so thus far. I suppose that this year we put in twenty miles of iron rail here and there, piecing up. This goes into the operating expenses.

Q. You include, then, in your statement of a little over 40 per cent. for operating expenses, this renewing of the track with steel rails?—A. No, not the steel rails, but the renewal of the track with iron rails. I presume the steel rail has gone into the construction account.

By Mr. HOAR:

Q. I understood you to say that there has as yet been no dividend paid by the Central Pacific Railroad Company to its stockholders?—A. That is the answer I gave.

Q. Is it not your belief that the persons who have been prominent in the management of the Central Pacific Railroad Company, including yourself, received considerable values either in moneys, bonds, or stock, as profits on contracts made for its construction?—A. I do not think we have made as much as we would have made if we had not gone into the road.

Q. I ask you if it is not your belief that persons active in the management of the Central Pacific Railroad Company, including yourself, received considerable values (I do not ask whether they were reasonable or unreasonable) as profits on contracts for its construction?—A. I think we have. I think I have an interest in a contract of the Contract and Financial Company, and I think I have made some money.

Q. Do you mean to have me understand, by the mode in which you answer that question, that any doubt exists in the mind of yourself that you have received yourself, while an officer of the Central Pacific Railroad Company, considerable values, either in money, bonds, or stocks, as profits upon contracts made for its construction?—A. I think I have. I have received no money.

Q. The question I now put to you is, whether you mean the committee to understand from the way in which you make that answer that you have any doubt on that subject in your mind?—A. I am not so clear as I would like to be.

Q. Be good enough to attend to my question. Have you any doubt in your mind that you have received considerable values, while a stockholder and officer of the Central Pacific Railroad Company, as profits on contracts made for its construction?—A. If I have received them at all it is as a stockholder in the Contract and Finance Company.

Q. I do not care whether you have received them as your share of the profits made by a company of which you were a member, but simply whether you have received as profits on contracts made for its construction considerable values?—A. I think I have.

Q. Have you any doubt of it?—A. I have doubts about the course, but I presume I have some paper stock. If there have been any profits made by my partner I have got some of them.

Mr. HOAR. I am going to put that question once more, and to ask you to give a frank answer to it.

The WITNESS. I will endeavor to do so.

Q. Have you any doubt that you have received, while an officer of
is Central Pacific Railroad Company, considerable values as profits on
ntracts made for its construction, either in stocks, bonds, or other-
ise?—A. The only question in my mind is, whether I have received
y considerable value. I would say that I have received, no doubt,
me value. The "considerable" I would not want to say.
Q. Is not the nominal value of the stock which you and your firm
ve received as profits on such contracts more than a million of dol-
rs?—A. No, I do not think I have received a million of dollars, or
ything like that, in money's worth.
Q. I ask you if the nominal value of the stock is not more than a
illion of dollars?—A. I should think something thereabouts. Without
ying positively, I should think something approximating thereto.
Q. In stock of the Central Pacific Railroad Company?—A. Yes.
Q. Have you not also received considerable values in bonds or other
bligations to pay money, as such profits?—A. I have received some; I
o not know what.
Q. I am inquiring simply as to your belief as to what you or your
rm have received as your share of profits on contracts for the con-
ruction of this railroad. Now I ask you if it is not your belief that
ur firm have received, in the shape of bonds, or other obligations to
ay money, considerable values as your share of such profits?—A. My
pression is that we have received some values.
Q. In bonds?—A. Yes; some values.
Q. Is not that value in bonds which you have received more than a
ndred thousand dollars, according to your belief?—A. I should think
ry likely it would be. I should like to ask Mr. Hopkins, if he were
re.
Q. So should I. Is it not, according to your belief, more than
00,000 which you have received in bonds?—A. No, sir.
Q. Give us your best judgment of the amount which you have re-
ived in bonds—yourself and your partner?—A. I would like to answer
at just as it is, but I have not the data, really, to give an intelligent
swer to it. What is the question?
Q. I ask you to state, according to your best judgment, the values
hich your firm has received in bonds as your share of the profits from
e contracts for the construction of the Central Pacific Railroad while
u were an officer?—A. I really have not the data to give an intelli-
nt answer. I said a hundred thousand dollars because I think it
ght to be more than that.
Q. You have said that, in your judgment, it was more than $100,000
d less than $500,000. Can you state it any more nearly than that—
mewhere between one and five hundred thousand dollars?—A. No; I
o not know that I would want to.
Q. Is it not your belief that the practical control of the Contract and
inance Company which constructed this railroad, and the practical
ntrol of the Central Pacific Railroad Company, for which it was con-
ructed, was, at the time of the contract for its construction, and dur-
g the execution of that contract, in the same persons?—A. It is my
pression.
Q. I do not know what precise meaning you give to the word "im-
ession." I ask your belief.—A. It conveys the same idea, I suppose.
Q. The question is whether it is not your belief that the practical
ntrol of the Contract and Finance Company and of the Central Pa-
ic Railroad Company, at the time of the making of the contract for
e construction of the road, and during its execution was in the same

parties?—A. My impression is that it was. I should like to say that I spoke to a good many people to go into that road, and almost every person refused to do so; and we had great trouble in getting people.

Q. Does your company have agencies in the principal Atlantic cities, or any of them, to make contracts for freight and to look after its freight interests?—A. We have a man in New York.

Q. Do you have any connection with that—any supervision?—A. No, sir; that is under the superintendent.

Q. Does your company have a treasurer or a treasury in New York?—A. No.

Q. Where does it pay its interest?—A. At Fisk & Hatch's, in New York.

Q. Do you have any supervision of that?—A. I generally look after it.

Q. How much looking after does it require on your part?—A. Well, I see that the money is there to pay the interest.

Q. Twice a year?—A. Yes, sir.

Q. The money is sent from California?—A. Yes, sir.

Q. What are the matters on this side which you say you attend to?—A. Well, I attend to buying all material. Every day I get orders from California.

Q. Material for the maintenance of the road?—A. I just got an order yesterday for ten locomotives.

Q. I do not care to go into details. I see that is an important duty. Now what other duty do you attend to besides buying material?—A. I am president of the Chesapeake and Ohio road.

Q. I do not mean other business. You describe your office as attending to matters on this side. I want to know generally what you attend to?—A. I do not think of anything else.

Q. Are there any other officers or servants of the road on this side except yourself, the freight agents, and the men who pay this money to the bondholders?—A. No, sir; there are no other agents on this side.

Q. What is the salary of the president?—A. I think it is $10,000.

Q. What is the salary of the treasurer?—A. I think it is $10,000.

Q. And of the vice president?—A. I think it is $10,000. It is credited to me out there, and I draw upon it from time to time. It was $10,000 a year, and I suppose it is that yet.

Q. Do you have a compensation or commission in addition to your salary for the purchase of these materials?—A. The last monthly statement I sent out to California was one million and odd dollars. I send out every month a statement and they take it and put it on their books, and I have never made one shilling out of it as percentage or commission.

Q. I am not directing any inquiry which has for it the purpose of investigating whether you have dealt honestly with the company or whether you have been improperly paid. I do not mean to suggest that there is any doubt in my mind about your honesty. I simply want to know whether, in addition to this salary of vice president, whatever it may be, you have employment for the road which warrants the payment to you of a commission or a percentage?—A. No, sir; there is none. I never got one cent commission from the road.

Q. What are the duties of Mr. Franchot?—A. Well, if you will allow me, he acts——

Q. In the first place his duties, as I understand, are subordinate to you—that is, they are conducted under your general direction.—A. Yes, sir.

Q. Now, what are the duties?—A. I have known General Franchot

r thirty years. He is a son of old Judge Franchot, of New York. I ot him in 1866 to come here to look after some land matters in the In- rior Department, and certain matters in the Treasury Department, d Commissary Department, where we get our money for the Govern- ent freight, and also to attend to other matters here. If we should ve any matters before Congress, he could go before the committees and ake such explanations and statements as were necessary.

Q. What proportion of his duties, so far as you understand them, con- sted in going before Congress; is that any considerable proportion?— . That is, perhaps, a considerable proportion. We have now a bill fore Congress—the Goat Island bill. Perhaps it is an even chance at they are going to force us 68 miles around the city when we are ithin seven miles of it.

Q. Is it any considerable portion of his duties to appeal to members private conversation so as to bring the interest of the road to their owledge, and urge upon them the views which the road entertains in gard to pending questions?—A. General Franchot's business, if you ill allow me, is to enlighten members of Congress on the merits of any- ing we may have before Congress.

Q. Does a considerable proportion of his business consist in what is rdinarily known as lobbying?—A. No; I do not consider it lobbying t all. He is the agent of the Central Pacific Railroad Company, and gentleman, I believe, above reproach. I have known him for thirty ars.

Q. Were you here with him during the session of 1864 at the time of e passage of the railroad legislation of that year?—A. My impression , if you will allow me, that General Franchot was not here then, at all.

Q. Who was here then doing, in behalf of the Central Pacific Rail- ad, the services which you now say General Franchot does?—A. I as here myself.

Q. Did you expend, for any purpose while you were in Washington, y moneys belonging to any railroad company, or any stock, or bonds any railroad company, or the proceeds of them?—A. If I under- and the question, I answer no. If the question is, whether I expended y money in Washington, I answer yes; but if I expended any money re at the Capitol, if you will allow me, I say no.

Q. I am asking you whether you made any expenditure of the char- ter I have mentioned. I do not, of course, mean your hotel bills, but y expenditures of the character described. I do not confine my ques- on to expenditures in regard to Congress.

The WITNESS. I wish you would repeat the question.

Mr. HOAR. The question is, if, while you were in Washington during e session of Congress of 1864, you expended for any purpose or dis- osed of any moneys belonging to any railroad company, or any bonds stock of any railroad company, or the proceeds thereof?—A. No, r; I did not, to the best of my knowledge and belief. I speak more om my way of doing things than from any recollection.

Q. Do you know of placing in the hands or under the control of seph B. Stewart, by yourself or anybody else, any cash, bonds, or ock of the character I have described?—A. I saw in his testimony at he says I gave him $2,000 in cash. I have no recollection of it, t if he says so it is probable I did so.

Q. For what services did you give him $2,000, to your recollection?— I came here in 1864. I had no experience in these things, and have t now for that matter. I met Joseph B. Stewart. I recollect him as

being a man who was said to have considerable influence here, to be used in the proper way.

Q. Have you any knowledge of any transaction by which Mr. Stewart acquired a sum exceeding $200,000 in railroad bonds?—A. I know nothing about it.

Q. You heard of no such transaction?—A. Nothing but what I have seen in the newspapers lately.

Q. Did you make any contracts here in behalf of any railroad you represented?—A. No, sir; I have no recollection of it. If you mean I used any money, I say positively no.

Q. Did you employ Mr. Alexander Hay for any purpose during that session?—A. I do not think I know Mr. Hay.

Q. Mr. Alexander Hay is an elderly gentleman, who says he has been a practicing lawyer for a good many years, and on intimate relations with Mr. Stewart, and he says he took an active interest in getting the act of 1864 passed, at the instance of Mr. Thomas C. Durant, Mr. Stewart, and of a California gentleman named Huntington, who he believes was vice-president of the Central Pacific Railroad Company?—A. If I ever saw Mr. Hay I have no recollection of it now. Possibly he is correct if he says he did know me.

Q. He says he received a sum of between five and thirty thousand dollars for the services he rendered at the instance of those gentlemen?—A. If he got any from me I don't know how he got it.

Q. You say you don't know Mr. Hay? I will read you a portion of his testimony: "Mr. Huntington, a short time before the passage of the act of 1864 through the House of Representatives, stopped at my room. I said to him that the votes on the bill were so strong that I did not think they would call the yeas and nays on the final passage. He tapped me on the shoulder, and said if the bill passed in that way he would make me a present. I met him in New York a few days afterward, and reminded him of his promise, the bill having passed in that way. He said he would see me in the afternoon about it. I did not see him in the afternoon and have not seen him since." I understand you to say you have no recollection of employing this gentleman?—A. I have no recollection of meeting him, but if he says so, it is fair to presume that I did.

Q. Do you know, or have you any knowledge or information from others, of any money or thing of value whatever having been paid directly or indirectly to any member of Congress for the sake of interesting him in any mode in legislation in which the Central Pacific Railroad Company was concerned at any time or anywhere?—A. No, sir; no.

Q. Have you ever had such a transaction reported to you by any gentleman, or by any person with whom you consulted about railroad matters, as financial agent?—A. No, sir; never.

Q. Do you make that denial comprehensive enough to cover all the time you were connected with the Central Pacific Railroad?—A. Yes; and I say that from general principles rather than from remembering everything I have done for the last ten years.

Q. Have you any knowledge of any transactions which took place in 1863 and 1864, before the passage of the act of 1864, with any northwestern railroad company, the effect of which was to remove their opposition or the opposition of persons interested in them to the passage of the act of 1864. I refer to an Iowa or Kansas road?—A. No; I have not. I did not know much about those things; I was pretty busy about my own matters.

Q. Did you have any negotiations with Mr. Hallet, or General Frémont, or his agent?—A. No; I am happy to say I never did.

Q. I understand you that all the archives of the road—the engineer's estimates and reports as to its construction, the accounts for disbursements of money for general purposes—are on the other side?—A. I have never had any records of the construction department on this side.

Q. So far as you know those records are on the other side?—A. Yes, sir.

By the CHAIRMAN:

Q. Where are the offices of this contracting company?—A. In Sacramento, I believe; they are in California.

Q. Do you know whether they were in the same office as the Central Pacific Railroad Company?—A. I do not. My impression is that they were in the same block of buildings.

Q. Were they not in the same room?—A. No; I am quite sure not.

Q. In the same building?—A. I think they are in the same building.

Q. Are not the offices right together, in connecting rooms?—A. I think there is easy access from one to the other.

Q. Are they not really in the same rooms—this contracting company's office and the office of the Central Pacific Railroad Company?—A. They are in the Stanford block, in Sacramento. Stanford owns 40 feet of it, I own 40 feet, and Mr. Hopkins has an interest in them. They are three separate buildings, and owned by three separate parties. The rooms above the stores are used for offices. The Contract and Finance Company occupy some of them, and the Central Pacific Railroad Company occupy some.

Q. And all these offices, the Central Pacific's and the Contract and Finance Company's, are all connected, one with another?—A. Yes, sir; I think so.

Q. How was it when this work was going on, when the contract was being executed, was it the same?—A. I was not there, but I presume it was so.

Q. Do you know whether the employés of the two offices were the same?—A. I should think not.

Q. Can you state in round numbers the present bonded indebtedness of the Central Pacific Railroad Company, including the Government bonds?—A. I think on the one thousand three hundred miles of road there are about $70,000,000 of debt.

Q. When you speak of the gross earnings being about $12,000,000 a year, do you have reference to the earnings of the Central Pacific Railroad proper, or the earnings of the Central Pacific Railroad in connection with those other roads with which it is consolidated?—A. We run it as one road.

Q. You consider it all as one road?—A. Yes, sir; as one road.

Q. Are you paying any dividends on any of those roads with which it has been consolidated?—A. No; we cannot pay dividends.

Q. The bonded indebtedness on the whole one thousand three hundred miles is $70,000,000, is it not?—A. I should state, on figuring it up, about $75,000,000.

Q. What is the rate of interest?—A. Six per cent. on the Governments, and 6 per cent., I guess, on everything except the State aids. The State pays the interest on those at 7 per cent.

Q. Your interest account, then, would be about $4,200,000 a year?—A. Yes, sir; about that—that is, counting Government interest.

Q. Is that interest gold, or currency?—A. The interest is gold.

Q. The Government bonds are not gold?—A. No; they are currency. I believe the Government has never been called, west of Salt Lake, to do anything since we started in there. We have taken care of the Indians, and the forts have all been taken away. We have taken care of the Indians, and frequently at great expense. We have never called for a soldier on the line of the road. We are at considerable expense in taking care of them.

By Mr. HOAR:

Q. Is not that *ultra vires* for a corporation?—A. No, sir; we do not give them anything strong—not a drop, not a drop.

Mr. HOAR. I see you translate *ultra vires* extra strength. (Laughter.)

By the CHAIRMAN:

Q. Your operating expenses are about 42 per cent.?—A. Yes, sir.

Q. That would leave you about $5,000,000 a year over your operating expenses?—A. Yes, sir.

Q. Your interest is $4,200,000 a year, and, together with your operating expenses, the total would be $9,200,000, and your net earnings are $12,000,000 and upwards, which would leave you an excess of $3,000,000?—A. About that; that is about as I have it in my mind.

Q. What application are you making of this excess of $3,000,000 a year?—A. Well, we expect to pay some dividends by and by. Then we are going to put down steel rails.

Q. How long have you been receiving $3,000,000 excess?—A. Not until this year.

Q. What was it last year?—A. We just paid the interest last year. We have been building continually; building these branches and strengthening the road in every way. All our surplus has gone into new roads.

By Mr. SHELLABARGER:

Q. Give to me in detail the elements that make up the $75,000,000 of bonded indebtedness on the road, mentioning each class of bonds separately.—A. There are the first-mortgage bonds, say $25,000,000; the Government bonds to a like amount, $25,000,000 more; the land-grant bonds, $10,000,000; the San Joaquin bonds, $6,000,000; the California and Oregon bonds, say another $6,000,000; (about $8,000,000 of those bonds were authorized to be issued, but only $6,000,000 have been sold;) the Western Pacific, $2,700,000. There is a million and a half of State aids, on which we do not pay any interest, making a total of about $76,000,000.

Q. These branches include all that go to make up the aggregate of 13,000 miles of road?—A. Yes, sir. We are rather proud of what we have done for the Government over there.

By the CHAIRMAN:

Q. I have been directing your attention to these things with a view of asking you one more question; Mr. Shellabarger inquired of you as to the value of the stock, and you said that it is not selling on the market?—A. I would like to answer that, but I have not any definite idea of what the stock is worth. I would not sell my stock for less than 50 cents.

By Mr. HOAR:

Q. Is there anywhere, to your knowledge, any aggregate statement of the cost of this road to the company?—A. O, yes.

Q. I do not speak of what they paid in stocks and bonds that were not worth par, but I speak of what the contractors actually received.—A. I do not know where you would arrive at that; as we make it up, the cost of the road is the bonded debt and stock.

Q. That I don't care anything about. You are aware that the act of Congress under which you built the railroad provides that, whenever the earnings of the road amount to 10 per cent. on its cost, Congress then has the important right to legislate for the reduction of fares. Now is there anywhere in the archives of the company, or anywhere else, any record which will show what the real actual cost was, as distinguished from nominal values and paper transactions?—A. I suppose the cost of the road would include discounts, interests, commissions, and all those expenditures that always follow the building of a road and the negotiation of its securities.

Q. You are aware, of course, that if the entire capital stock of the road were $25,000,000, which was not paid for in cash but taken on these construction-contracts, the holders of the stock would own the whole property of the road subject to its debts, whatever they might be. Now it would make no difference to the holders of the stock whether it was $25,000,000 or $100,000,000, divided precisely among the same persons. That would be a mere nominal and not an actual value. Of course, then, the amount of stock ought not to be taken as a basis for computing the cost of the road under the act of Congress unless it had in fact been given out by the company for so much money's worth received in road-building. Now have you any correct computation of the actual cost of that road in cash?—A. If you will allow me, I think there never was a road built but what a part of its cost represented a profit to somebody. I have lain awake, I presume, a thousand nights, since 1861, to find out where the money was coming from to pay our bills.

Q. You don't seem to have found out enough yet to tell the committee about it?—A. These are the facts; these things I know. The actual cost of the road is the bonds and the stock, in my opinion.

Q. There is no computation in existence on any other basis that you are aware of?—A. No, sir; only the stock at its par value, and the bonds at their par value. I built a road in the western country, where they gave me $10,000,000 after the work was done, and they made a better trade than I did. I had completed the road, and they gave me a bonus of $10,000,000.

By Mr. SHELLABARGER:

Q. You have given us some idea of what you probably got in the way of dividends, or profits, as members of this construction company; now will you tell us in round numbers what the company got in the aggregate?—A. No, sir; my impression is that we got the first-mortgage bonds, the Government bonds, and a portion of the stock for building the road. I do not think there was any illegitimate profit.

Q. My question is this: It is not what was paid out by the Central Pacific Railroad in pay for work, but what was paid out to all the members of the contractin gcompany in the way of profit?—A. I could not answer that.

Q. Can you tell us, then, any reasonable approximation to the amount?—A. No, I could not.

Q. Where can we learn that?—A. I suppose that Mr. Crocker could tell you; he was president of the company. So could Mr. Mark Hopkins, Leland Stanford, and Mr. Miller.

Q. Is there any one in the eastern part of the country that can give

us the information?—A. No, sir; that matter has been attended to over there. The books are over there, and it is a matter I know nothing about.

Q. Now this construction company that made that part of the road which it did make, of course kept books?—A. I should suppose so.

Q. Those books ought to show what they paid out for material and for work in completing their contract?—A. I should think so.

Q. And that will show us the cost of the road so far as the outlays of the construction company would show?—A. I should suppose so; it would seem so.

Q. Now, what is it you add (in ascertaining, under the act of Congress, the cost of the road, for the purpose of fixing the amount upon which dividends are to be made before Congress shall regulate the rates of fare;) what is it that you add to the cost of material for making the road and equipping it, and the cost of its depots and stations, and those other things enumerated in the act of Congress which are to be done before the Government subsidies are issued—what do you add to this as additional elements in making up the cost of the road?—A. Well, the cost of the road would be simply what the road cost; and to get that you find out how many bonds of the road are out and how much stock.

Q. That does not answer my question.—A. I don't know any other way to get at it. They made a fair contract to build the road—at least I have no doubt of it. I do not believe that a shilling has gone out that should not go out. I speak of that more from what I know of the men who were engaged in it. They are all high-toned, honorable men.

Q. That still does not answer my question. Assuming that the construction company and the Central Pacific Railroad Company are one thing, are composed of the same persons, (and in dealing with the Government we will treat them as one,) then excluding all the profits that were made by the construction company, what did the Central Pacific Railroad Company pay out as the cost of the road for these various things that are enumerated in the act of Congress as the things which were to be completed before they should be entitled to the bonds of the United States; and in order to make my question more definite, let me read you from the act of Congress the things that are to be completed before the road is entitled to its bonds. The fourth section of the act of 1862 contains the following: "That whenever said company shall have completed 40 consecutive miles [it was changed to 20 by the act of 1864] of any portion of the said road and telegraph-line ready for the service contemplated by this act, and supplied with all necessary culverts, viaducts, crossings, sidings, bridges, turnouts, watering-places, depots, equipments, furniture, and all other appurtenances of a first-class railroad—the rails and all other iron used in the construction of the road to be of American manufacture of the best quality," &c. Now, what would you add as a part of the cost of the road to the cost of these things that I have just read?—A. I do not know. A perfect first-class road wants many things. There are many things that enter into the cost of construction that you cannot enumerate. The engineer is generally allowed ten per cent. That enters into the cost of constructing the road.

Adjourned.

WASHINGTON, D. C., *February* 19, 1873.

OAKES AMES recalled.

By the CHAIRMAN:

Question. Look at the paper now handed to you and state whether that agreement was entered into by the parties signing it?—Answer. I think it was. There was such an agreement, to retain the control of 60 per cent. of the stock.

Mr. HOAR. They should agree to vote for such persons as the majority of the board of directors should nominate for their successors, or else keep those directors themselves in office. Was that the agreement?

The WITNESS. I think so.

The agreement was put in evidence, and is as follows:

Memorandum of agreement made this 16th day of October, 1867, between Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, witnesseth as follows:

The undersigned, being the owners of shares and holders of certain proxies of the shareholders of the Union Pacific Railroad Company, and expecting hereafter to hold other shares and proxies for other shares therein, for the protection of our mutual interests and the interests of our constituents, do hereby mutually agree, each with the other, at any and every election of directors of the Union Pacific Railroad Company, to vote upon the shares of stock then standing in our own names respectively and upon such shares as we hold or may hereafter hold proxies therefor for such persons as directors of the said Union Pacific Railroad Company as may be nominated at or before each annual stockholders' meeting of said company by a majority of the then existing board of directors not appointed by the President of the United States, and no others; and in failure of such nomination for any reason by the said existing board of the Union Pacific Railroad Company, we then agree to vote for the re-election of the elected members of the then existing board. It is further agreed that, in case any one or more of the parties hereto fails or neglects to perform and stand to any of the agreements and covenants herein contained, that he shall not be entitled to or claim any benefit or right under or by virtue of any of the trusts or agreements contained in a certain memorandum of agreement heretofore made and concluded by and between Oakes Ames, of North Easton, Massachusetts, party of the first part, and the Credit Mobilier of America, a party of the third part, but the said shares and proportion of the said party so in default shall become the property of and be divided among the said several remaining parties for whose benefits said trusts in said agreement are declared. In witness whereof the said parties have hereunto subscribed their names this day and year first above written.

OLIVER AMES.
JOHN B. ALLEY.
CORNELIUS S. BUSHNELL.
SIDNEY DILLON.
H. S. McCOMB.
THOMAS C. DURANT.
B. E. BATES.

Signed and sealed and executed in presence of—
CHARLES BELL.

By the CHAIRMAN:

Q. You have informed the committee that you desired to make some corrections in your testimony as printed. What are they?—A. On page 25, instead of the words "$16,000 a mile in stock," I want to insert "$16,000 a mile in first-mortgage bonds."

The answer referred to will then read as follows: "On 150 miles of the road which was built over the Rocky Mountains, we got $48,000 a mile in Government bonds, and $48,000 in first-mortgage bonds; from the termination of the Hoxie contract to the Rocky Mountains we were paid at the rate of $16,000 per mile in Government bonds and $16,000 a mile in first-mortgage bonds. What the bonds did not pay for we took in stock at par."

I also wish to strike out in the next anwer the words "stock and."

The answer referred to will then read as follows:

"After we passed the 150 miles, for which we got $48,000 a mile in Government bonds and $48,000 in first-mortgage bonds, we received for the rest of the way $32,000 a mile in Government bonds and $32,000 in first-mortgage bonds."

Then in another answer on the same page I wish to strike out the words "we, the people," and to substitute for them the words, "the trustees."

The paragraphs referred to will then read as follows:

"Q. Do you know how much was paid on those contracts?—A. No, sir; but it is my impression that the contractors lost money, although it did not cost nearly as much as the work we did.

"Q. Whom do you mean by we?—A. The trustees who carried out the Oakes Ames contract."

Then in another answer I wish to make "$50,000 and $60,000 per mile" read "$60,000 and $70,000 per mile."

The question and answer as corrected will then read as follows:

"Q. That is an average of how much per mile?—A. Between $60,000 and $70,000 per mile. The length of the road is about ten hundred and fifty miles."

In a subsequent paragraph "$26,000,000" should be "$16,000,000."

The paragraph will then read as follows:

"Q. So that, in other words, the company would have $16,000,000 to show for its capital stock, besides the lands which the Government has conveyed to it, or is hereafter to convey to it?—A. Yes."

On page 26, where "$60,000,000" occurs it should be "$70,000,000."

The paragraph as corrected will then read:

"Q. Do you mean to say to the committee that your best judgment is that on the entire cost of constructing and equipping that road, about $70,000,000, the profit to the various persons who contracted to do it amounted only to about $7,000,000?—A. I think that would cover it; hardly as much as railroad contractors get in ordinary contracts."

On page 29, the word "Adams" should be "Alley." The sentence will then read:

"I guaranteed Mr. Alley, and I offered to guarantee Mr. Hooper."

Received of Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates the sums set opposite our respective names, in full of the dividend declared December 12, 1867, under and pursuant to the foregoing contracts, and payable on the 3d day of January, 1868. And we do hereby, severally, in consideration of the amount so received by us, consent to and approve of the foregoing contracts, and agree, severally, to be bound by and conform to all the terms and conditions of said agreement; and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates from all liability, personal or otherwise, by reason of their acts as parties to said foregoing triplicate agreement.

Names.	Stock Union Pacific Railroad Company.	Stock Credit Mobilier of America.	Dividend on first-mortgage bonds Union Pacific Railroad Company.	Dividend on stock Union Pacific Railroad Company.	Date.	Signatures.	
	Shares.	*Shares.*					
Oliver W. Barnes	30	15	$900	$900	Jan. 16, 1868	Oliver W. Barnes	2-ct. int.-rev. stamp.
Thomas C. Durant	7,564	4,915	294,900	294,900	Jan. 4, 1868	Thomas C. Durant	Do.
Willie Davis Train	230	175	10,500	10,500	Jan. 14, 1868	Willie Davis Train, by H. C. Crane, attorney	Do.
L. Eugene French	30	20	1,200	1,200	Jan. 10, 1868	L. E. French, by B. F. French, attorney	Do.
Charles A. Lambard	1,250	775	46,500	46,500	Jan. 10, 1868	Chas. A. Lambard	Do.
Sidney Dillon, president	598	400	24,000	24,000	Jan. 18, 1868	Sidney Dillon, president, by B. F. Hand, assistant secretary	Do.
Sidney Dillon	1,250	1,005	60,300	60,300	Jan. 7, 1868	Sidney Dillon	Do.
William T. Glidden	1,250	625	37,500	37,500	Jan. 4, 1868	Wm. T. Glidden, by John Duff	Do.
J. M. S. Williams	1,245	620	37,200	37,200	Jan. 14, 1868	John M. S. Williams	Do.
R. G. Hazard	2,000	1,690	101,400	101,400	Jan. 24, 1868	R. G. Hazard	Do.
Rowland Hazard	500	300	18,000	18,000	Jan. 24, 1868	R. Hazard, by R. G. Hazard, attorney	Do.
John L. King	75	60	4,800	4,800	Jan. 4, 1868	John L. King	Do.
Fourth National Bank	.....	750	45,000	45,000	Jan. 14, 1868	T. C. Durant, per H. C. Crane, attorney	Do.
Barton H. Jenks	80	500	30,000	30,000	Jan. 4, 1868	Barton H. Jenks	Do.
A. A. Low	.....	100	6,000	6,000	Jan. 16, 1868	A. A. Low	Do.
J. B. Pigot	.....	200	12,000	12,000	Jan. 15, 1868	Joseph B. Pigot	Do.
Harvey Sanford	.....	125	7,500	7,500	Jan. 9, 1868	Harvey Sanford, by attorney, E. H. Trowbridge	Do.
Henry Trowbridge	.....	75	4,500	4,500	Jan. 9, 1868	Henry Trowbridge, attorney, E. H. Trowbridge	Do.
Ezekiel H. Trowbridge	.....	50	3,000	3,000	Jan. 9, 1868	E. H. Trowbridge	Do.
W. F. Day, cashier in trust	.....	100	6,000	6,000	Jan. 3, 1868	Wm. F. Day, cashier in trust, by C. S. Bushnell	Do.
Royal E. Robbins	.....	200	12,000	12,000	Jan. 11, 1868	R. E. Robbins, by H. A. Robbins, attorney	Do.
William A. Cummings	.....	100	6,000	6,000	Jan. 9, 1868	Wm. A. Cummings	Do.
Frank W. Andrews	.....	100	6,000	6,000	Jan. 23, 1868	F. W. Andrews	Do.
S. H. Fessenden	.....	50	3,000	3,000	Jan. 14, 1868	J. M. S. Williams, attorney	Do.

Names.	Stock Union Pacific Railroad Company.	Stock Credit Mobilier of America.	Dividend on first-mortgage bonds Union Pacific Railroad Company.	Dividend on stock Union Pacific Railroad Company.	Date.	Signatures.	
	Shares.	*Shares.*					
Nathan Peck		100	$6,000	$6,000	Jan. 3, 1868	Nathan Peck, by C. S. Bushnell, attorney	2-ct. int.-rev. stamp.
Pierepont B. Foster		50	3,000	3,000	Jan. 3, 1868	Pierepont B. Foster, by C. S. Bushnell, attorney	Do.
Elizabeth Hazard		34	2,040	2,040	Jan. 24, 1868	E. Hazard, by R. G. Hazard, attorney	Do.
Elizabeth Hazard, in trust		13	780	780	Jan. 24, 1868	E. Hazard, in trust, by R. G. Hazard, attorney	Do.
Anna Hazard		20	1,200	1,200	Jan. 24, 1868	A. Hazard, by R. G. Hazard, attorney	Do.
Oliver S. Chapman	624	412	24,720	24,720	Jan. 16, 1868	O. S. Chapman	Do.
Oliver Ames	6,251	4,680	280,800	280,800	Jan. 4, 1868	Oliver Ames	Do.
C. S. Bushnell	1,450	410	24,600	24,600	Jan. 3, 1868	C. S. Bushnell	Do.
William H. Macy	650	300	18,000	18,000	Jan. 6, 1868	William H. Macy	Do.
J. H. Scranton	5	5	300	300	Feb. 13, 1868	H. C. Crane	Do.
G. Griswold Gray	2,534	1,620	97,200	97,200	Jan. 4, 1868	G. G. Gray, per H. W. Gray, attorney	Do.
Joseph Nickerson	500	380	22,800	22,800	Jan. 10, 1868	Joseph Nickerson, by Amb. Grau, attorney	Do.
Benjamin Holliday	1,000	750	45,000	45,000	Jan. 6, 1868	Ben. Holliday, per W. D. Halsey, attorney	Do.
Benjamin E. Bates	1,000	500	30,000	30,000	Jan. 16, 1868	B. E. Bates	Do.
Fred. Nickerson	500	250	15,000	15,000	Jan. 14, 1868	John M. S. Williams, attorney	Do.
John B. Alley	1,000	290	17,400	17,400	Feb. 6, 1868	John B. Alley	Do.
Isaac P. Hazard	500	380	22,800	22,800	Jan. 24, 1868	J. P. Hazard, by R. G. Hazard, attorney	Do.
Samuel Hooper & Co	1,000	750	45,000	45,000	Jan. 16, 1868	John Duff, per order	Do.
Horatio Gilbert	251	185	11,100	11,100	Feb. 5, 1868	Horatio Gilbert, by H. J. Gilbert, attorney	Do.
Horatio J. Gilbert	175	137	8,220	8,220	Feb. 5, 1868	Horatio J. Gilbert	Do.
Cyrus H. McCormick	1,251	945	56,700	56,700	Mar. 9, 1868	C. H. McCormick	Do.
David Jones	500	380	22,800	22,800	Jan. 7, 1868	David Jones	Do.
Oakes Ames	2,849	1,955	117,300	117,300	Jan. 8, 1868	Oakes Ames	Do.
Elisha Atkins	674	622	37,320	37,320	Jan. 16, 1868	Elisha Atkins, by J. Duff, attorney	Do.
Ezra H. Baker	625	623	37,380	37,380	Jan. 11, 1868	E. H. Baker, by Howes Baker, attorney	Do.
H. S. McComb	1,075	750	45,000	45,000	Jan. 4, 1868	H. S. McComb	Do.
Ezra H. Baker, jr		50	3,000	3,000	Jan. 11, 1868	E. H. Baker, jr., by Howes Baker, attorney	Do.
Paul Pohl, jr	12	6	360	360	Jan. 14, 1868	J. M. S. Williams, attorney	Do.
James W. Grimes	500	380	22,800	22,800	Jan. 24, 1868	Oakes Ames, attorney for J. W. Grimes	Do.
Thomas Nickerson	200	150	9,000	9,000	Jan. 14, 1868	Thomas Nickerson	Do.
George Opdyke	931	712	42,720	42,720	Jan. 4, 1868	George Opdyke	Do.
Josiah Bardwell	500	700	42,600	42,600	Jan. 11, 1868	Josiah Bardwell, by C. A. L., attorney	Do.
Josiah Bardwell, trustee	200	300	18,000	18,000	Jan. 11, 1868	J. Bardwell, trustee, by C. A. L., attorney	Do.
C. C. Waite	50	80	4,800	4,800	Jan. 9, 1868	C. C. Waite	Do.
B. D. Stewart	5	5	300	300	Jan. 14, 1868	J. M. S. Williams, attorney	Do.
H. C. Crane	50	120	7,680	7,680	Jan. 4, 1868	H. C. Crane	Do.

E. W. Gilmore	200	150	9,000	9,000	Jan. 24, 1868	D. Ames, attorney	Do.
Mary P. Hazard		10	600	600	Jan. 24, 1868	M. P. Hazard, by R. G. Hazard, attorney	Do.
Lydia Torrey		11	660	660	Jan. 24, 1868	L. Torrey, by R. G. Hazard, attorney	Do.
Anna Horner		1	60	60	Jan. 24, 1868	A. Horner, by R. G. Hazard, attorney	Do.
Sophia Vernon		1	60	60	Jan. 24, 1868	S. Vernon, by R. G. Hazard, attorney	Do.
Henry Hotchkiss		150	9,000	9,000	Jan. 3, 1868	Henry Hotchkiss, by C. S. Bushnell, attorney	Do.
William B. Bristol		50	3,000	3,000	Jan. 3, 1868	Wm. B. Bristol, by C. S. Bushnell, attorney	Do.
Sylvester M. Beard		100	6,000	6,000	Jan. 6, 1868	S. M. Beard	Do.
Eli Beard		100	6,000	6,000	Jan. 9, 1868	Eli Beard	Do.
Gamaleil Bradford		100	6,000	6,000	Jan. 9, 1868	Gamaliel Bradford, Oakes Ames, attorney	Do.
Le Grand Lockwood		500	30,000	30,000	Jan. 4, 1868	Le Grand Lockwood	Do.
John R. Duff	500	1,880	112,800	112,800	Jan. 4, 1868	John R. Duff, by John Duff, attorney	Do.
Samuel T. Dana		100	6,000	6,000	Feb. 24, 1868	S. T. Dana, per H. C. Crane, attorney	Do.
John M. Davies		500	30,000	30,000	Jan. 3, 1868	John M. Davies, per C. S. Bushnell, attorney	Do.
Robert G. S. McNeil		5	300	300	Jan. 24, 1868	Oliver Ames, attorney	Do.
E. C. Moore		10	600	600	Jan. 10, 1868	E. C. Moore	Do.
J. N. Smith		405	24,300	24,300	Jan. 7, 1868	J. N. Smith, per Sidney Dillon, attorney	Do.
Aaron Hobart, jr		25	1,500	1,500	Jan. 23, 1868	Oliver Ames, attorney	Do.
Isaac Thatcher		92	5,520	5,520	Jan. 23, 1868	Isaac Thatcher, O. Ames, attorney	Do.
James B. Johnston		200	12,000	12,000	Jan. 11, 1868	James B. Johnston	Do.
B. M. Boyer	100	75	4,500	4,500	Jan. 28, 1868	B. M. Boyer, per H. A. Jackson, attorney	Do.
Charles H. Neilson	200	100	6,000	6,000	Mar. 4, 1868	Chas. H. Neilson	Do.
Josiah Hedden	200	100	6,000	6,000	Jan. 4, 1898	Josiah Hedden	Do.
F. Skinner & Co		500	30,000	30,000	Jan. 11, 1868	F. Skinner & Co., by C. A. L., attorney	Do.
H. C. Crane, trustee		60	3,600	3,600	Jan. 18, 1868	H. C. Crane, trustee	Do.
Charles H. Neilson		50	3,000	3,000	Mar. 4, 1868	Chas. H. Neilson	Do.
Oakes Ames, trustee		93	5,580	5,580	April 8, 1868	Oakes Ames, trustee	Do.

Dividend of R. G. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of I. P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of R. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Elizabeth Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Elizabeth Hazard, trustee, was receipted for by R. G. Hazard, attorney.

Dividend of Mary P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Anna Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Anna Horner was receipted for by R. G. Hazard, attorney.
Dividend of Lydia Torrey was receipted for by R. G. Hazard, attorney.
Dividend of Sophia Vernon was receipted for by R. G. Hazard, attorney.

STATE OF NEW YORK,
City and County of New York, ss:

I, Nathaniel Gill, a commissioner for the State of Rhode Island in and for the city, county, and State of New York, duly commissioned and sworn, and dwelling in the city of New York, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument with the original instrument of which the same purports to be a copy, and, after such examination and comparison, I hereby further certify that the foregoing is a true and correct copy of the said original instrument, and of the whole thereof, and of the signatures thereto set and subscribed.

In testimony whereof I have hereunto set my hand and affixed my official seal, at the city of New York, this 13th day of September, A. D. 1870.

[SEAL.]

NATHANIEL GILL,
Commissioner for Rhode Island in New York.

[U. S. revenue-stamp, 5-c; canceled.]

RECEIPTS UNDER TRIPLICATE AGREEMENT.

Received of Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates the sums set opposite our respective names, in full of the dividend declared January 3, 1868, under and pursuant to the foregoing contracts, and payable on the 3d day of January, 1868. And we do hereby, severally, in consideration of the amounts so received by us, consent to and approve of the foregoing contracts, and agree, severally, to be bound by and conform to all the terms and conditions of said agreement; and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates from all liability, personal or otherwise, by reason of their acts as parties to said foregoing triplicate agreement.

Names.	Stock Credit Mobilier of America.	Dividends in first-mortgage bonds Union Pacific Railroad Company.	Signatures.	
	Shares.			
Oliver W. Barnes	15	$500	Oliver W. Barnes and others	2 ct. int.-rev. stamp.
Thomas C. Durant	3,915	78,300	do	Do.
Willie Davis Train	175	3,500	do	Do.
L. Eugene French	20	400	do	Do.
Charles A. Lambard	150	3,000	do	Do.
Sidney Dillon, president	400	8,000	do	Do.
Sidney Dillon	1,005	20,100	do	Do.
William T. Glidden	625	12,500	do	Do.
J. M. S. Williams	620	12,400	do	Do.
R. G. Hazard	1,690	33,800	do	Do.
Oliver S. Chapman	412	8,240	do	Do.
Oliver Ames	4,680	93,600	do	Do.
C. S. Bushnell	410	8,200	do	Do.
William H. Macy	300	6,000	do	Do.
J. H. Scranton	5	100	do	Do.
G. G. Gray	1,620	32,400	do	Do.
Joseph Nickerson	380	7,600	do	Do.

Receipts under triplicate agreement—Continued.

Names.	Stock Credit Mobilier of America.	Dividends in first-mortgage bonds Union Pacific Railroad Company.	Signatures.	
	Shares.			
m. Holiday	750	$15,000	Olives W. Barnes and others	2 ct. int.-rev. stamp.
..l R. Bates	500	10,000	do	Do.
..derick Nickerson	250	5,000	do	Do.
..n B. Alley	290	5,800	do	Do.
..s P. Hazard	380	7,600	do	Do.
..uel Hooper & Co	750	15,000	do	Do.
..atio Gilbert	185	3,700	do	Do.
..atio J. Gilbert	137	2,740	do	Do.
..rus H. McCormick	945	18,900	do	Do.
..rid Jones	380	7,600	do	Do.
..kes Ames	1,955	39,100	do	Do.
..ah Atkins	622	12,440	do	Do.
..ra H. Baker	623	12,460	do	Do.
..ra H. Baker, jr	50	1,000	E. H. Baker, jr., by Howes Baker, attorney, and others.	Do.
..d McComb	750	15,000	do	Do.
..el Pohl, jr	6	120	do	Do.
..mes W. Grimes	380	7,600	do	Do.
..eman Nickerson	150	3,000	do	Do.
..rge Opdyke	712	14,240	do	Do.
..iah Bardwell	710	14,200	do	Do.
..iah Bardwell, trustee	300	6,000	do	Do.
..C. Waite	80	1,600	do	Do.
..D. Stewart	5	100	do	Do.
..C. Crane	128	2,560	do	Do.
..W. Gilmore	150	3,000	do	Do.
..wland Hazard	300	6,000	do	Do.
..n L. King	80	1,600	do	Do.
..rth National Bank	750	15,000	do	Do.
..son H. Jenks	500	10,000	do	Do.
..A. Low	100	2,000	do	Do.
..S. Pigot	1,200	24,000	do	Do.
..rvey Sanford	125	2,500	do	Do.
..ry Trowbridge	75	1,500	do	Do.
..niel H. Trowbridge	50	1,000	do	Do.
..s. F. Day, (cash, in trust)	100	2,000	do	Do.
..n Gardiner, trustee	625	12,500	do	Do.
..gal E. Robbins	200	4,000	do	Do.
..n. A. Cummings	100	2,000	do	Do.
..ank W. Andrews	100	2,000	do	Do.
..well H. Fessenden	50	1,000	do	Do.
..than Peck	100	2,000	do	Do.
..rpont B. Foster	50	1,000	do	Do.
..abeth Hazard	34	680	do	Do.
..abeth Hazard, trustee	13	260	do	Do.
..na Hazard	20	400	do	Do.
..ry P. Hazard	10	200	do	Do.
..da Torry	11	220	do	Do.
..na Horner	1	20	do	Do.
..bia Vernon	1	20	do	Do.
..ary Hotchkiss	150	3,000	do	Do.
..n. C. Bristol	50	1,000	do	Do.
..ester M. Beard	100	2,000	do	Do.
..Beard	100	2,000	do	Do.
..naliel Bradford	100	2,000	do	Do.
..Grand Lockwood	500	10,000	do	Do.
..n R. Duff	1,880	37,600	do	Do.
..uel T. Dana	100	2,000	do	Do.
..n M. Davies	500	10,000	do	Do.
..ert G. S. McNeil	5	100	do	Do.
..C. Moore	10	200	do	Do.
..I. Smith	455	8,100	do	Do.
..en Hobert, jr	25	500	do	Do.
..se Thatcher	92	1,840	do	Do.
..ase B. Johnston	200	4,000	do	Do.
..M. Boyer	75	1,500	do	Do.
..ries H. Neilson	100	2,000	do	Do.
..Bedden	100	2,000	do	Do.
..Skinner & Co	500	10,000	do	Do.
..C. Crane, trustee	60	1,200	do	Do.
..ries H. Neilson	50	1,000	do	Do.
..se Ames, trustee	93	1,860	do	Do.

Dividend of R. G. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of I. P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of R. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Elizabeth Hazard was receipted for by R. G. Hazard, attorney
Dividend of Elizabeth Hazard, trustee, was receipted for by R. G. Hazard, attorney.
Dividend of Mary P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Anna Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Anna Horner was receipted for by R. G. Hazard, attorney.
Dividend of Lydia Torrey was receipted for by R. G. Hazard, attorney.
Dividend of Sophia Vernon was receipted for by R. G. Hazard, attorney.

STATE OF NEW YORK,
City and County of New York, ss:

I, Nathaniel Gill, a commissioner for the State of Rhode Island in New York, duly commissioned and sworn, and residing in New York City, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument with the original instrument of which it purports to be a copy, and, after such examination and comparison, I hereby further certify that the foregoing is a true and correct copy of said original instrument and of the whole thereof, save only the signatures thereto subscribed.

In testimony whereof I have hereunto set my hand and affixed my official seal, at the city of New York, this 13th day of September, A.D. 1870.

[SEAL.] NATHANIEL GILL,
Commissioner for Rhode Island in New York.

[U. S. internal-revenue 5-c. stamp; canceled.]

Received of Thomas C. Durant, Oliver Ames, John Duff, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, the sums set opposite our respective names, in full of the dividend declared June 17, 1868, under and pursuant to the foregoing contracts, and payable on the 17th day of June, 1868; and we do hereby severally, in consideration of the amount so received by us, consent to and approve of the foregoing contracts, and agree severally to be bound by and conform to all the terms and conditions of said agreements; and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates, from all liability, personal or otherwise, by reason of their acts as parties to said foregoing triplicate agreement.

Names.	Stock Credit Mobilier of America.	Dividend in stock Union Pacific Company.	Dividend in cash.	Signatures.	
	Shares.				
ohn B. Alley	290	$116 00	$17, 400 00	John B. Alley and others.	[2-cent rev. stamp.]
akes Ames	1, 955	782 00	117, 300 00		Do.
akes Ames, trustee	343	137 20	20, 580 00		Do.
liver Ames	4, 680	1, 872 00	280, 800 00		Do.
rank W. Andrews	100	40 00	6, 000 00		Do.
ilkie Atkins	622	248 80	37, 320 00		Do.
enn H. Baker	623	249 20	37, 380 00		Do.
enn H. Baker, jr	50	20 00	3, 000 00		Do.
eziah Bardwell	665	266 00	39, 900 00		Do.
eziah Bardwell, trustee	300	120 00	18, 000 00		Do.
liver W. Barnes	15	6 00	900 00		Do.
enjamin E. Bates	500	200 00	30, 000 00		Do.
enjamin E. Bates, trustee for Mrs. Laura E. Morse.	45	18 00	2, 700 00		Do.
. Beard	100	40 00	6, 000 00		Do.
ylvester M. Beard	100	40 00	6, 000 00		Do.
enry Blood	4	1 60	240 00		Do.
. M. Boyer	75	30 00	4, 500 00		Do.
amuliel Bradford	100	40 00	6, 000 00		Do.
illiam B. Bristol	50	20 00	3, 000 00		Do.
. S. Bushnell	510	204 00	30, 600 00		Do.
liver S. Chapman	412	164 80	24, 720 00		Do.
liver Charlick	3	1 20	180 00		Do.
. C. Crane	128	51 20	7, 680 00		Do.
. C. Crane, trustee	180	72 00	10, 800 00		Do.
illiam A. Cummings	100	40 00	6, 000 00		Do.
ohn M. Davis	500	200 00	30, 000 00		Do.
artin Zborowski	100	40 00	6, 000 00		Do.
idney Dillon	1, 005	402 00	60, 300 00		Do.
enry M. Dodge	100	40 00	6, 000 00		Do.
ohn Robinson Duff	1, 880	752 00	112, 800 00		Do.
homas C. Durant	5, 658	2, 263 20	339, 480 00		Do.
owell H. Fessenden	50	20 00	3, 000 00		Do.
reseent B. Foster	50	20 00	3, 000 00		Do.
. Eugene French	20	8 00	1, 200 00		Do.
ohn Gardiner, trustee	625	250 00	37, 500 00		Do.
oratio Gilbert	185	74 00	11, 100 00		Do.
oratio J. Gilbert	137	54 80	8, 220 00		Do.
. W. Gilmore	150	60 00	9, 000 00		Do.
illiam T. Glidden	625	250 00	37, 500 00		Do.
. G. Gray	1, 350	540 00	81, 000 00		Do.
. W. Gray	50	20 00	3, 000 00		Do.
enry W. Grimes	380	152 00	22, 800 00		Do.
. G. Hazard	1, 610	644 00	96, 600 00		Do.
enry P. Hazard	380	152 00	22, 800 00		Do.
. Hazard	380	152 00	22, 800 00		Do.
lizabeth Hazard	34	13 60	2, 040 00		Do.
lizabeth Hazard, trustee	13	5 20	780 00		Do.
ary P. Hazard	10	4 00	600 00		Do.
enry Hazard	20	8 00	1, 200 00		Do.
. Holden	100	40 00	6, 000 00		Do.
arvey Hobart, jr	25	10 00	1, 500 00		Do.
. Halliday	750	300 00	45, 000 00		Do.
amuel Hooper & Co	750	300 00	45, 000 00		Do.
enry Hegner	1	40	60 00		Do.
enry Hotchkiss	150	60 00	9, 000 00		Do.
ames B. Johnston	200	80 00	12, 000 00		Do.
avid Jones	380	152 00	22, 800 00		Do.

Names.	Stock Credit Mobilier of America.	Dividend in stock Union Pacific Company.	Dividend in cash.	Signatures.	
	Shares.				
John L. King	100	$40 00	$6,000 00		[2-cent rev. stamp.]
C. A. Lombard	100	40 00	6,000 00		Do.
Le Grand Lockwood	500	200 00	30,000 00		Do.
A. A. Low	100	40 00	6,000 00		Do.
Wm. H. Macy	300	120 00	18,000 00		Do.
H. S. McComb	1,250	500 00	75,000 00		Do.
Cyrus H. McCormick	945	378 00	56,700 00		Do.
Robert G. S. McNeil	5	2 00	300 00		Do.
E. C. Moore	10	4 00	600 00		Do.
Charles Neilson	150	60 00	9,000 00		Do.
Frederick Nickerson	250	100 00	15,000 00		Do.
Joseph Nickerson	380	152 00	22,800 00		Do.
Thomas Nickerson	150	60 00	9,000 00		Do.
George Opdyke	712	284 80	42,720 00		Do.
Nathan Peck	100	40 00	6,000 00		Do.
J. B. Pigot	150	60 00	9,000 00		Do.
Paul Pohl, jr	6	2 40	360 00		Do.
Joseph Richardson	50	20 00	3,000 00		Do.
Henry A. Robbins	100	40 00	6,000 00		Do.
Royal E. Robbins	300	120 00	18,000 00		Do.
Harvey Sanford	125	50 00	7,500 00		Do.
J. H. Scranton	5	2 00	300 00		Do.
F. Skinner & Co	250	100 00	15,000 00		Do.
F. Skinner & Co., trustees.	250	100 00	15,000 00		Do.
J. N. Smith	405	162 00	24,300 00		Do.
Thomas M. Stetson	30	12 00	1,800 00		Do.
W. B. Stevens, trustee	50	20 00	3,000 00		Do.
B. D. Stewart	5	2 00	300 00		Do.
Isaac Thatcher	92	36 80	5,520 00		Do.
Lydia Torrey	11	4 40	660 00		Do.
Willie Davis Train	175	70 00	10,500 00		Do.
Ezekiel Trowbridge	50	20 00	3,000 00		Do.
Henry Trowbridge	75	30 00	4,500 00		Do.
Sophia Vernon	1	40	60 00		Do.
C. C. Waite	80	32 00	4,800 00		Do.
J. M. S. Williams	620	248 00	37,200 00		Do.

Dividend of R. G. Hazard was receipted for by R. G. Hazard, attorney.

Dividend of I. P. Hazard was receipted for by R. G. Hazard, attorney.

Dividend of R. Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Elizabeth Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Elizabeth Hazard, trustee, was receipted for by R. G. Hazard, attorney.

Dividend of Mary P. Hazard, was receipted for by R. G. Hazard, attorney.

Dividend of Anna Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Anna Horner was receipted for by R. G. Hazard, attorney.

Dividend of Lydia Torrey was receipted for by R. G. Hazard, attorney.

Dividend of Sophia Vernon was receipted for by R. G. Hazard, attorney.

STATE OF NEW YORK,

City and County of New York, ss:

I, Nathaniel Gill, a commissioner for the State of Rhode Island in and for the city, county, and State of New York, duly commissioned and sworn, and dwelling in the city of New York, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument with the original instrument of which it purports to be a copy, and, after such examination and comparison, I hereby further certify that the foregoing is a true and correct copy of said original instrument and of the whole thereof, save only the signatures thereto subscribed.

In testimony whereof I have hereunto set my hand and affixed my official seal at the city of New York, this 13th day of September, A. D. 1870.

[SEAL.]

NATHANIEL GILL,
Commissioner for Rhode Island in New York.

[5-cent internal-revenue stamp, canceled.]

Received of Thomas C. Durant, Oliver Ames, John Duff, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, the sums set opposite our respective names, in full of the allotment declared July 3, 1868, under and pursuant to the foregoing contract, and payable on the 3d day of July, 1868; and we do hereby severally, in consideration of the amount so received by us, consent to and approve of the foregoing contract, and agree severally to be bound by, and conform to all the terms and conditions of said agreement; and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates, from all liability, personal or otherwise, by reasons of their acts as parties to said foregoing agreements, or either of them, and we agree to pay such rateable sums as said trustees may call for, not exceeding the amount so received, to enable them to complete the construction contract.

Name.	Parts.	Dividend on bonds.	Name.	Parts.	Dividend on bonds.
Alley, John B	290	$21,750	Hazard, Mary P	10	$750
Ames, Oakes	1,955	146,625	Hazard, Anna	20	1,500
Ames, Oakes, trustee	343	25,725	Hedden, J	100	7,500
Ames, Oliver	4,680	351,000	Hobert, Aaron, jr	25	1,875
Andrews, Frank W	100	7,500	Holiday, Benjamin	750	56,250
Atkins, Elisha	622	46,650	Hooper, Samuel, & Co	750	56,250
Baker, Ezra H	623	46,725	Horner, Ann	1	75
Baker, Ezra H., jr	50	3,750	Hough, Benj. K	50	3,750
Bartwell, Josiah	665	49,875	Hotchkiss, Henry	150	11,250
Bartwell, Josiah, trustee	300	22,500	Johnston, James B	200	15,000
Bemis, Oliver W	15	1,125	Jones, David	380	28,500
Bates, Benj. E	500	37,500	King, John L	100	7,500
Bates, Benj. E., trustee	45	3,375	Lombard, C. A	725	54,375
Bond, Eli	100	7,500	Lockwood, Le Grand	500	37,500
Bond, Sylvester M	100	7,500	Low, A. A	100	7,500
Bond, Henry	4	300	Macy, Wm. H	300	22,500
Boyer, B. M	75	5,625	McComb, H. S	1,250	93,750
Bullard, Gamaliel	100	7,500	McCormick, Cyrus H	945	70,875
Bullard, William B	50	3,750	McNeil, Robert G. S	5	375
Bushnell, C. S	510	38,250	Moore, E. C	10	750
Chapman, Oliver S	412	30,900	Neilson, Charles H	150	11,250
Chaffee, Oliver	3	225	Nickerson, Frederick	250	18,750
Crane, H C	128	9,600	Nickerson, Joseph	380	28,500
Crane, H. C., trustee	180	13,500	Nickerson, Thomas	100	7,500
Crane, H. C., trustee W. D. Tuttle	175	13,125	Opdyke, Geo	712	53,400
			Peck, Nathan	100	7,500
Cunningham, Wm. J	100	7,500	Pigot, J. B	150	11,250
Dalton, John M	500	37,500	Pohl, Paul, jr	6	450
Dillon, Sidney	1,005	75,375	Richardson, Joseph	50	3,750
Dodge, Anna M	100	7,500	Robbins, Henry A	100	7,500
Duff, John Robinson	1,880	141,000	Robbins, Robert E	300	22,500
Durant, Thos. C	5,658	424,350	Sanford, Harvey	125	9,375
Fessenden, Sewell H	50	3,750	Scranton, J. H	5	375
Fisher, Pierepont B	50	3,750	Skinner, F. & Co	250	18,750
French, L. Eugene	20	1,500	Skinner, F. & Co., trustee	250	18,750
Gilbert, Horatio	185	13,875	Smith, J. N	405	30,375
Gilbert, Horatio J	137	10,275	Stetson, Thomas N	30	2,250
Gilmore, E. W	150	11,250	Stevens, W. B	50	3,750
Gibbon, W. T	625	46,875	Stewart, D. B	5	375
Gray, G. G	1,350	101,250	Thatcher, Isaac	92	6,900
Gray, R. W	50	3,750	Torrey, Lydia	11	825
Grinnell, James W	380	28,500	Trowbridge, Ezekiel	50	3,750
Hazard, R. G	1,610	120,750	Trowbridge, Henry	75	5,625
Hazard, Isaac P	380	28,500	Vernon, Sophia	1	75
Hazard, R	380	28,500	Waite, C. C	80	6,000
Hazard, Elizabeth	34	2,550	Williams, J. M. S	620	46,500
Hazard, Elizabeth, trustee	13	975	Zebrowski, Martin	100	7,500

Dividend of R. G. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of I. P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of R. Hazard was receipted for by R. G. Hazard, attorney.
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Dividend of Anna Horner was receipted for by R. G. Hazard, attorney.
Dividend of Lydia Torrey was receipted for by R. G. Hazard, attorney.
Dividend of Sophia Vernon was receipted for by R. G. Hazard, attorney.

STATE OF NEW YORK, *City and County of New York, ss:*

I, Nathaniel Gill, a commissioner for the State of Rhode Island, in the State of New York, duly commissioned and sworn, and dwelling in the city of New York, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument, with the original instrument of which it purports to be a copy; and after such examination and comparison, I further certify that the foregoing is a true and correct copy of said original instrument, and of the signatures thereto set and subscribed, and of the figures set opposite such signatures.

In testimony whereof, I have hereunto set my hand and affixed my official seal, at the city of New York, this 8th day of September, A. D. 1870.

[SEAL.] NATHANIEL GILL,
Commissioner for Rhode Island, in New York.

[U. S. revenue-stamp, 5 cents, canceled.]

Received of Thomas C. Durant, Oliver Ames, John Duff, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, the sums set opposite our respective names in full of the allotment declared July 8, 1868, under and pursuant to the foregoing contract, and payable on the 8th day of July, 1868, and we do hereby severally, in consideration of the amounts so received by us, consent to and approve of the foregoing contracts, and agree severally to be bound by and conform to all the terms and conditions of said agreement, and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates, from all liability, personal or otherwise, by reason of their acts as parties to said foregoing agreements or either of them.

Names.	Parts.	Dividend cash.	Signatures.
John B. Alley	290	$8,700	John B. Alley, and others.
Oakes Ames	1,955	58,650	
Oakes Ames, trustee	343	10,290	
Oliver Ames	4,680	140,400	
Frank W. Andrews	100	3,000	
Elisha Atkins	622	18,660	
Ezra H. Baker	623	18,690	
Ezra H. Baker, jr	50	1,500	
Josiah Bardwell	665	19,950	
Josiah Bardwell, trustee	300	9,000	
Oliver W. Barnes	15	450	

Names.	Parts.	Dividend cash.	Signatures.
[illegible]. E. Bates	500	$15,000	
[illegible]. E. Bates, trustee	45	1,350	
[illegible] Beard	100	3,000	
[illegible]vester M. Beard	100	3,000	
[illegible]ary Blood	4	120	
[illegible] M. Boyer	75	2,250	
[illegible]amuel Bradford	100	3,000	
[illegible]m. B. Bristol	50	1,500	
[illegible]. S. Bushnell	510	15,300	
[illegible]ver S. Chapman	412	12,360	
[illegible]ver Charlick	3	90	
[illegible]. C. Crane	128	3,840	
[illegible]. C. Crane, trustee	180	5,400	
[illegible]. C. Crane, trustee, W. D. Train	175	5,250	
[illegible]m. A. Cummings	100	3,000	
[illegible]ohn M. Davies	500	15,000	
[illegible]idney Dillon	1,005	30,150	
[illegible]ane M. Dodge	100	3,000	
[illegible]ohn R. Duff	1,880	56,400	
[illegible]homas C. Durant	5,658	169,740	
[illegible]erell H. Fessenden	50	1,500	
[illegible]irepoint B. Foster	50	1,500	
[illegible]. Eugene French	20	600	
[illegible]amuel Gilbert	185	5,550	
[illegible]amuel J. Gilbert	137	4,110	
[illegible]. W. Gilmore	150	4,500	
[illegible]. T. Glidden	625	7 518	
[illegible]. G. Gray	1,350	40,500	
[illegible]. W. Gray	50	1,500	
[illegible]ames W. Grimes	380	11,400	
[illegible]. G. Hazard	1,610	48,300	
[illegible]. Hazard	380	11,400	
[illegible]ane P. Hazard	380	11,400	
[illegible]lizabeth Hazard	34	1,020	
[illegible]lizabeth Hazard, trustee	13	390	
[illegible]ary P. Hazard	10	300	
[illegible]ane Hazard	20	600	
[illegible]. Hedden	100	3,000	
[illegible]arus Hobart, jr	25	750	
[illegible]enja. Holliday	750	22,500	
[illegible]anl. Hooper & Co	750	22,500	
[illegible]ane Horner	1	30	
[illegible]enjamin K. Hough	50	1,500	
[illegible]ary Hotchkiss	150	4,508	
[illegible]ames B. Johnston	200	6,000	
[illegible]avid Jones	380	11,400	
[illegible]ohn L. King	100	3,000	
[illegible]. A. Lombard	725	21,750	
[illegible]dmund Lockwood	500	15,000	
[illegible]. A. Low	100	3,000	
[illegible]m. B. Macy	300	9,000	
[illegible]. B. McComb	1,250	37,500	
[illegible]. R. McCormick	945	28,350	
[illegible]obert G. S. McNeil	5	150	
[illegible]. C. Moore	10	300	
[illegible]harles H. Neilson	150	4,500	
[illegible]rederick Nickerson	250	7,500	
[illegible]oseph Nickerson	380	11,400	
[illegible]homas Nickerson	100	3,000	
[illegible]eorge Opdyke	712	21,360	
[illegible]illiam Peck	100	3,000	
[illegible]. B. Pigot	150	4,500	
[illegible]aul Pohl, jr	6	180	
[illegible]oseph Richardson	50	1,500	
[illegible]harry A. Robbins	100	3,000	
[illegible]oyal R. Robbins	300	9,000	
[illegible]arvey Sanford	125	3,750	
[illegible]. R. Scranton	5	150	
[illegible]. Skinner & Co	250	7,500	
[illegible]. Skinner & Co., trustees	250	7,500	
[illegible]. H. Smith	405	12,150	
[illegible]homas M. Stetson	30	900	
[illegible]. B. Stephens, trustee	50	1,500	
[illegible]. B. Stewart	5	150	
[illegible]ane Thatcher	92	2,760	
[illegible]ohn Torrey	11	330	
[illegible]aniel Trowbridge	50	1,500	
[illegible]harry Trowbridge	75	2,250	
[illegible]amuel Vernon	1	30	
[illegible]. G. Waite	80	2,400	
[illegible]. M. S. Williams	620	18,600	
[illegible]artin Zebrowski	100	3,000	

STATE OF NEW YORK,
City and County of New York, ss:

I, Nathaniel Gill, a commissioner for the State of Rhode Island in and for the city, county, and State of New York, duly commissioned and sworn, and dwelling in the city of New York, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument, with the original instrument of which it purports to be a copy, and, after such examination and comparison, I hereby further certify that the foregoing is a true and correct copy of said original instrument and of the whole thereof save only the signatures thereto affixed.

In testimony whereof I have hereunto set my hand and affixed my official seal, at the city of New York, this 13th day of September, A. D. 1870.

[SEAL.] NATHANIEL GILL,
Commissioner for Rhode Island, in New York.

[U. S. internal-revenue 5-cent stamp. Canceled.]

Received of Thomas C. Durant, Oliver Ames, John Duff, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, the sums set opposite our respective names in full of the allotments declared December 29, 1868, under and pursuant to the foregoing contract, and payable the first day of January, 1869, and we do hereby severally, in consideration of the amount so received by us, consent to and approve of the foregoing contract and agree severally to be bound by and conform to all the terms and conditions of said agreement, and we do hereby release the said Thomas C. Durant, Oliver Ames, and their associates from all liability, personal or otherwise, by reason of their acts as parties to said foregoing agreement, or either of them.

Names.	Parts.	Dividend stock. No. shares.	Signatures.
John B. Alley	220	580	John B. Alley and others.
Oakes Ames	1,955	3,910	
Oakes Ames, trustee	343	686	
Oliver Ames	4,680	9,360	
Frank W. Andrews	100	200	
Elisha Adkins	622	1,244	
Ezra H. Baker	623	1,246	
Ezra H. Baker, jr	50	100	
Josiah Bardwell	665	1,330	
Josiah Bardwell, trustee	300	600	
Oliver W. Barnes	15	30	
Benjamin E. Bates	500	1,000	
Benjamin E. Bates, trustee	45	90	
Eli Beard	100	200	
Sylvester M. Beard	100	200	
Henry Blood	4	8	
B. M. Boyer	75	150	
Gamaliel Bradford	100	200	
William B. Bristol	50	100	
C. S. Bundell	510	1,020	
Oliver S. Chapman	412	824	
Oliver Charlick	3	6	
H. C. Crane	128	256	
H. C. Crane, trustee	180	360	
H. C. Crane, trustee, W. D. Train	175	350	
William A. Cummings	100	200	
John M. Davis	500	1,000	
Sidney Dillon	1,005	2,010	

Names.	Parts.	Dividend stock. No. shares.	Signatures.
...mas M. Dodge	100	200	John B. Alley and others.
...hn R. Duff	1,880	3,760	
...homas C. Durant	5,658	11,316	
...ervell H. Fessenden	50	100	
...rewpoint B. Foster	50	100	
...Eugene French	20	40	
...rtis Gilbert	185	370	
...rtis J. Gilbert	137	274	
...W. Gilmore	150	300	
...illiam F. Glidden	625	1,250	
...G. Gray	1,350	2,700	
...W. Gray	50	100	
...mes W. Grimes	380	760	
...G. Hazard	1,610	3,220	
...R. Hazard	380	760	
...ase T. Hazard	380	760	
...Elizabeth Hazard	34	68	
...Elizabeth Hazard, trustee	13	26	
...ary P. Hazard	10	20	
...ana Hazard	20	40	
...Holden	100	200	
...mes Hobart, jr	25	50	
...enjamin Holliday	750	1,500	
...amuel Hooper & Co	750	1,500	
...ana Horner	1	2	
...enjamin K. Hough	50	100	
...enry Hotchkiss	150	300	
...mes B. Johnston	200	400	
...avid Jones	380	760	
...ohn L. King	100	200	
...A. Lambard	725	1,450	
...eorge Lockwood	500	1,000	
...A. Low	100	200	
...illiam H. Macy	300	600	
...S. McComb	850	1,700	
...H. McCormick	945	1,890	
...obert G. S. McNeil	5	10	
...C. Moore	10	20	
...harles H. Neilson	150	300	
...rederick Nickerson	250	500	
...oseph Nickerson	380	760	
...homas Nickerson	100	200	
...eorge Opdyke	712	1,424	
...than Peck	100	200	
...B. Pigot	150	300	
...ael Pohl, jr			
...oseph Richardson	50	100	
...enry A. Robbins	100	200	
...oyal E. Robbins	300	600	
...arvey Sanford	125	250	
...H. Scranton	5	10	
...Skinner & Co	250	500	
...Skinner & Co., trustees	250	500	
...E. Smith	405	810	
...homas M. Stetson	30	60	
...R. Stevens, trustee	50	100	
...R. Stewart			
...ase Thatcher	92	184	
...rtis Torrey	11	22	
...ckiel Trowbridge	50	100	
...enry Trowbridge	75	150	
...illiam Vernon	1	2	
...C. Waite	80	160	
...M. S. Williams	631	1,262	
...artin Zbrowski	100	200	
...rian H. Jenks	400	800	

Dividend of R. G. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of I. P. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of R. Hazard was receipted for by R. G. Hazard, attorney.
Dividend of Elizabeth Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Elizabeth Hazard, trustee, was receipted for by R. G. Hazard, attorney.

Dividend of Mary P. Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Anna Hazard was receipted for by R. G. Hazard, attorney.

Dividend of Anna Horner was receipted for by R. G. Hazard, attorney.

Dividend of Lydia Torrey was receipted for by R. G. Hazard, attorney.

Dividend of Sophia Vernon was receipted for by R. G. Hazard, attorney.

STATE OF NEW YORK, *City and County of New York, ss:*

I, Nathaniel Gill, a commissioner for the State of Rhode Island in and for the city, county, and State of New York, duly commissioned and sworn, and dwelling in the city of New York, do hereby certify that I have this day carefully examined and compared the foregoing copy of a certain instrument with the original instrument of which it purports to be a copy, and after such examination and comparison I hereby further certify that the foregoing is a true and correct copy of said original instrument and of the whole thereof, save only the signatures thereto affixed.

In testimony whereof I have hereunto set my hand and affixed my official seal, at the city of New York, this 13th day of September, A. D. 1870.

[SEAL.]

NATHANIEL GILL,
Commissioner for Rhode Island, in New York.

[U. S. internal-revenue 5-cent stamp. Canceled.]

TREASURY DEPARTMENT,
Washington, D. C., January 21, 1873.

SIR: In compliance with request contained in your letter of the 18th instant, I submit schedule embracing replies to your first, second, and third inquiries, and would respectfully refer you to the Secretary of the Interior for answers to the fourth and fifth, as the original papers are filed in that Department.

Section.	When accepted.	No. of miles.	Date of issue of bonds.	Amount.
1	January 24, 1866	40	January 27, 1866	$640,000
2	May 1, 1866	25	May 7, 1866	400,000
3	June 25, 1866	40	June 26, 1866	640,000
4	July 12, 1866	20	July 13, 1866	320,000
5	August 8, 1866	35	August 9, 1866	560,000
6	September 11, 1866	45	September 11, 1866	720,000
7	October 12, 1866	35	October 13, 1866	560,000
8	November 6, 1866	30	November 7, 1866	480,000
9	January 2, 1867	35	January 8, 1867	560,000
10	June 10, 1867	40	June 10, 1867	640,000
11	July 5, 1867	40	July 6, 1867	640,000
12	August 27, 1867	35	August 29, 1867	560,000
13	October 1, 1867	35	October 2, 1867	560,000
14	November 4, 1867	35	November 5, 1867	560,000
15	December 11, 1867	20	December 13, 1867	320,000
16	January 25, 1868	15.078 14.922	January 27, 1868	957,000
17	May 15, 1868	20	May 16, 1868	960,000
18	May 16, 1868	20	May 18, 1868	960,000
19	June 12, 1868	20	June 12, 1868	960,000

Section.	When accepted.	No. of miles.	Date of issue of bonds.	Amount.
20	June 16, 1868	20	June 18, 1868	$960, 000
21	July 21, 1868	20	July 22, 1868	960, 000
22	July 23, 1868	35. 078	July 24, 1868	1, 841, 000
23	July 23, 1868	4. 922		
24	August 8, 1868	20	August 11, 1868	640, 000
25	August 27, 1868	20	August 28, 1868	640, 000
26	September 5, 1868	20	September 7, 1868	640, 000
27	September 5, 1868	20	September 7, 1868	640, 000
28	September 22, 1868	20	September 23, 1868	640, 000
29	October 21, 1868	20	October 21, 1868	640, 000
30	November 19, 1868	20	November 19, 1868	640, 000
31	December 5, 1868	40	December 7, 1868	1, 280, 000
32	December 12, 1868	20	December 14, 1868	640, 000
33	December 16, 1868	20	December 16, 1868	640, 000
34	December 23, 1868	20	December 23, 1868	640, 000
35	December 23, 1868	20	December 24, 1868	640, 000
36	January 28, 1869	20	January 29, 1869	640, 000
37	February 9, 1869	40	February 10, 1869	1, 280, 000
38				
39	July 15, 1869	20	July 16, 1869	640, 000
40	July 15, 1869	13. 68	November 6, 1869	437, 000
40	July 15, 1869	5	July 14, 1870	160, 000
			Fractional amounts for various sections withheld and issued on final settlement	1, 512
	Total	1, 038. 68		27, 236, 512

Very respectfully,

GEO. S. BOUTWELL,
Secretary.

Hon. J. M. WILSON,
Chairman Select Committee on Credit Mobilier, &c.,
House of Representatives.

DEPARTMENT OF THE INTERIOR,
Washington, D. C., January 16, 1873.

SIR: In answer to your oral inquiries of this morning, in relation to the Union Pacific Railroad Company, I have the honor to state that there have been patented to said company 654,419 acres of land; that of lands that under their grant will inure to them, as yet unpatented, there are about 11,345,580 acres. This is, of course, only an approximate estimate. Of these unpatented lands, a large portion is yet unsurveyed. The patents for tracts surveyed and selected have been withheld, in order that the Department may first be satisfied in reference to certain matters connected with the construction, management, and eastern terminus of the road.

The first 100 miles were definitely located 19th October, 1864; the second 100 miles, 20th June, 1866; from 200th to 380th mile-post, 23d November, 1866; from 380th mile-post to near the 700th, from 1st April to 15th November, 1867; from near 700th to Ogden, (termination,) from 1st May to 3d July, 1868.

The map showing the general route from a point 100 miles west of Omaha to Salt Lake City was filed 28th June, 1865, and seems to have been the first map filed.

Diligent search has failed to find estimates of engineers, either before or since the construction of the road, as to its cost. The law did not require such estimates to be transmitted to the Department, and they can probably be found only on the files of the company.

Only two reports of engineers appear to have been submitted with the annual reports to the Department, viz, for 1868 and 1869. That for 1869 has been printed, and a copy is herewith transmitted. That of 1868 is of similar scope, but is so voluminous that I have deemed it best not to impose the labor of copying it on our limited clerical force until I should be specifically informed that it is desired.

A copy of the late report of the Government directors to the Department, and a list of such directors and their terms of office, are herewith transmitted. I also transmit some printed papers relating to the road that may be of interest to you.

Very respectfully, your obedient servant,

B. R. COWEN,
Acting Secretary.

Hon. J. M. WILSON,
Chairman of Credit Mobilier Committee of Investigation,
House of Representatives.

Detailed statement of the date of original issues of stock by the Union Pacific Railroad Company, amount of each issue, and to whom issued.

1863.
Dec. 22. For first installment of 10 per cent. on the entire subscription of the company to this date, as per following list:

	Shares.	Am't paid into treas. of Co.
Andrews, S	20	$2,000
Ahern, S. J	20	2,000
Ashley, O. D	20	2,000
Blood, H	20	2,000
Basford, H. W	20	2,000
Belmont, Aug	10	1,000
Bushnell, C. S	50	5,000
Brodhead, E. C	20	2,000
Bonner, G. T., & Co	20	2,000
Butler, E	10	1,000
Bartholomew, Geo. M	10	1,000
Boody, H. H	20	2,000
Barney, D. N	20	2,000
Blatchford, R. M	20	2,000
Butterfield, John	10	1,000
Blair, John I	20	2,000
Cass, G. W	20	2,000
Clark, Edward	20	2,000
Clark, Dodge & Co	20	2,000
Cook, E	50	5,000
Curtis, N. B	20	2,000
Cisco, John J	20	2,000
Cheny, A. N	20	2,000
Crane, J. S	5	500
Crane, H. C	50	5,000
Cooper & Hewett	20	2,000
Chittenden, S. B	10	1,000
Corning, Erastus	20	2,000
Campbell, Allen	5	500
Carver, B. F	10	1,000
Dix, John A	20	2,000
Duncan, Sherman & Co	20	2,000
Dehon, Clark & Bridges	20	2,000
Dunham, E. W	20	2,000
Davis, G. T. M	50	5,000

Dunham, James L	20	$2,000
Durant, W. F	20	2,000
Durant, Thomas C	50	5,000
Dows, D	10	1,000
Durant, W. W	20	2,000
Dodge, Wm. E	20	2,000
De Rouge & Dyett	20	2,000
Gibson, E. T. H	50	5,000
Grinnell, M. H	10	1,000
Gibson, C. D	10	1,000
Gray, S. M	10	1,000
Greswold, Geo	20	2,000
Gould, Charles	20	2,000
Gardner, Ransom	5	500
Hartson, G. B	20	2,000
Harriman & Jerome	20	2,000
Hodges, G. W	20	2,000
Henry, J. E	50	5,000
Husford, O. P	1	100
Haven, F	10	1,000
Holliday, Benj	20	2,000
Jerome, A. G	20	2,000
Jerome, L. W	20	2,000
Jones, David	20	2,000
Kowalski, C	20	2,000
Ketchum, Morris	20	2,000
Kountze, Augustus	5	500
Lambard, H. J	20	2,000
Low, A. A	20	2,000
Lambard, Chas. A	20	2,000
McComb, H. S	10	1,000
Merriam & Bell	20	2,000
McAndrews & Wann	20	2,000
Maxwell, John D	10	1,000
McPherson, William M	5	500
McCormick, John	1	100
Megrath, James G	1	100
Nye, E*	10	1,000
Ogden, Wm. B	20	2,000
Opdyke, Geo	20	2,000
Pratt, G. W	20	2,000
Price, J. M	20	2,000
Pruyne, J. V. L	20	2,000
Poor, Henry V	10	1,000
Pomeroy, S. C	5	500
Quintard, G. M	20	2,000
Rosekrans, E. H	20	2,000
Ramsford, G. S	10	1,000
Richards, L. S	20	2,000
Richards, T. P	20	2,000
Richmond, Dean	20	2,000
Russell, C. H	20	2,000
Rickley, John	1	100
Roberts, M. O	20	2,000
Scott, Thomas A	20	2,000
Scranton, J. H	50	5,000
Stebbins, H. J., & Sons	20	2,000
Smith, Samuel B	20	2,000
Smith, Platt	5	500
Sloan, Sam'l	5	500
Smith, Francis	1	100
Smith, Geo. R	1	100
Sweesy, William J	1	100
Tuttle, Charles	20	2,000
Thomson, J. E	30	3,000
Tuttle, J. T	20	2,000
Train, Geo. F	20	2,000
Tracy, J. T	20	2,000
Truis, W. R	20	2,000
Train, Willie D	20	2,000

Tilden, William	10	$1,000	
Thayer, Nathaniel	20	2,000	
Tiffany & Co	10	1,000	
Tilden, S. J	20	2,000	
Taylor, Moses	20	2,000	
Thomson, G. A	5	500	
Van Schaick & Massett	20	2,000	
Winslow, Lanier & Co	20	2,000	
Wright, J. B	20	2,000	
Williams & Guion	5	500	
Watkinson, Robert	10	1,000	
Williams, John M. S	20	2,000	
Weed, Thurlow	10	1,000	
Williams, N. S	20	2,000	
Winston, F. S	5	500	
Young, Brigham	5	500	
McCready, F. H	20	2,000	
	2,177		$217,700

1864.

Sept. 26. By cash: Second installment on following subscription:

Wm. B. Ogden	500	
R. Watkinson	1,000	
Williams & Guion	500	
Aug. Belmont	1,000	
J. Butterfield	1,000	
E. H. Rosekrans	2,000	
E. Cook	2,000	
		8,000

Sept. 26. By cash: First installment 10 per cent.

S. Seymour	3,000	
Clark Bell	3,000	
		6,000

Sept. 27. By cash: Second installment 10 per cent.

G. F. M. Davis	3,000	
		3,000

Oct. 1. By cash: 10 per cent. on following new subscription:

C. S. Bushnell	10,000	
J. C. Kennedy	1,000	
Alex. Hayes	2,000	
		13,000

Oct. 1. By cash: Second installment of 10 per cent.

J. F. Tracy	1,000	
J. C. Kennedy	1,000	
C. S. Bushnell	5,000	
Alex. Hayes	2,000	
		9,000

Oct. 3. By cash: 2d installment, 10 per cent.

T. C. Durant	5,000	
W. W. Durant	2,000	
A. Kountze	500	
T. G. Megrath	100	
W. J. Swasey	100	
J. Rickley	100	
O. P. Hasford	100	
J. McCormick	100	
J. E. Henry	2,000	
		10,000

Oct. 28. By cash: 1st installment, 10 per cent.

H. C. Crane, agent	25,000	
H. M. Hoxie	25,000	
		50,000

Made in accordance with provision in Hoxie contract.

Nov. 15. By cash: 2d installment 5 per cent.

Robert Watkinson		500

Nov. 15. By cash: 2d installment, 5 per cent., paid on the following subscriptions.

	Shares.	
E. C. Broadhead	20	
H. W. Bashford	20	
D. Dows	10	
N. B. Curtis	20	
H. Blood	15	
M. H. Grinnell	10	
T. Haven	10	
Thurlow Weed	10	
Ransom Gardner	5	
Clark Bell	30	
J. M. Price	20	
G. M. Quintard	20	
J. T. Tuttle	20	
M. Van Schaunch	20	
Merriam & Bell	20	
G. M. Gray	10	
H. C. Crane	40	
A. N. Cheeny	20	
G. W. Pratt	20	
W. W. Durant	20	
H. C. Crane, agent	250	
Pickering Clark	10	
J. G. Butler, trus	20	
C. S. Bushnell	100	
G. T. Bonner	20	
J. E. Henry	10	
E. Cook	10	
McAndrews & Mann	20	
S. J. Ahern	20	
Ed. Clark	20	
E. Butler	10	
B. F. Carra	10	
T. H. McGregdy	20	
W. F. Durant	20	
S. Andrews	20	
J. D. Maxwell	10	
N. S. Williams	20	
T. P. Richards	20	
G. B. Hartson	20	
DeShon Clark and B	10	
Clark Dodge	10	
Harriman & Jerome	20	
Samuel B. Smith	20	
E. H. Rosekrans	20	
H. M. Hoxie	250	
L. C. Clark	10	
T. C. Durant	165	
H. M. Hoxie	30	
	1,525	$76,250

1864.
Dec. 27. By cash: Being 95 per cent. balance due on subscription to capital stock of this company by Brigham Young, for five shares of $1,000 each, making it full-paid stock 4,500

1865.
Jan. 20. By cash: E. Cook, 15 per cent 1,500
Jan. 20. By cash: John E. Henry, 15 per cent 1,500
May 17. By cash: R. Watkinson, 5 per cent. on 10 shares 500
Nov. 8. By cash: R. Watkinson, being 5 per cent. on 100 shares stock held by him 500

1866.
Feb. 17. By cash: O. P. Hinford, 5 per cent 50

Mar. 8. By cash: Received from Credit Mobilier of America for account of installment on the following subscriptions to capital stock of this company, making the said stock 20 per cent. paid.

	Shar's.	Pr. Ct.
T. C. Durant	20	10
Do	20	10
Do	10	10
W. D. Train	20	10
G. F. Train	20	10
John A. Dix	20	10
Clark Bell	20	10
J. J. Cisco	20	10
J. F. Tracy	20	10
H. V. Poor	10	10
C. A. Lambard	5	10
Milo J. Burke	15	10
J. M. S. Williams	20	10
Charles Tuttle	20	10
J. H. Scranton	50	10
E. C. Brodhead	20	5
H. W. Bashford	20	5
D. Dows	10	5
N. B. Curtis	20	5
H. Blood	15	5
M. H. Grinnell	10	5
F. Haven	10	5
Thurlow Weed	10	5
Rawson Gardner	5	5
Clark Bell	30	5
G. T. Bonner, & Co	20	5
J. E. Henry	10	5
E. Cook	10	5
McAndrews & Wann	20	5
S. J. Ahern	20	5
E. Clark	20	5
E. Butler	10	5
B. F. Carver	10	5
F. H. McCready	20	5
W. T. Durant	20	5
J. M. Price	20	5
S. Andrews	20	5
G. M. Quintard	20	5
J. D. Maxwell	10	5
J. F. Tuttle	20	5
N. S. Williams	20	5
Van Schauch & Massett	20	5
T. P. Richards	20	5
Merriam & Bell	20	5
G. T. Hartshorn	20	5
G. M. Gray	10	5
Dehon Clark & B	10	5
H. C. Crane	40	5
Clark, Dodge & Co	10	5
A. W. Cheney	20	5
J. Harriman	20	5
G. W. Pratt	20	5
Samuel B. Smith	20	5
T. C. Durant	50	5
L. C. Clark	10	5
Pickering Clark	10	5
T. C. Durant	115	5
J. G. Butler, trus	20	5
H. M. Hoxie	30	5
C. S. Bushnell	100	5
Sidney Dillon	25	5
O. S. Chapman	25	5
W. T. Glidddon	50	5
John Duff	50	5
Oliver Ames	50	5

	Shares.	Pr. Ct.	
J. M. S. Williams	50	5	
Frederick Nickerson	25	5	
R. G. Hazard	25	5	
C. A. Lambard	50	5	
H. M. Hoxie	150	5	
	1,775		$102,250

1866.

Mar. 24. By cash: For received from Credit Mobilier of America, for account of installments on the following subscription to capital stock of this company, making the same 30 per cent. paid:

	Shares.	Per cent.	
Sidney Dillon	25	10	
O. S. Chapman	25	10	
W. T. Glidden	50	10	
John Duff	50	10	
O. Ames	50	10	
J. M. S. Williams	50	10	
Fred'k Nickerson	25	10	
R. G. Hazard	25	10	
C. A. Lambard	50	10	
C. M. of A	875	10	
H. W. Gray	5	20	
Griswold	20	20	
			127,500

June 22. By cash: H. C. Crane, assistant treasurer, being 30 per cent. on new subscription for 5,000 shares of $100 each to capital stock of this company 150,000

July 1. By cash: For received from H. C. Crane, assistant treasurer, installments to capital stock as follows:

	Shares.	
N. B. Curtis	200	
T. Weed	100	
F. Haven	100	
—— Roseknans	200	
R. Gardner	50	
W. H. Grinnell	100	
P. Clark	100	
G. T. M. Davis	100	
C. A. Lambard	200	
J. F. Tracy	200	
J. J. Cisco	200	
J. A. Dix	200	
J. E. Henry	200	
E. Cook	100	
C. Tuttle	200	
T. C. Durant	100	
C. M. A	5,100	
	7,450	

	Shares.	Per cent.	
Geo. Opdyke	200	at 20	
*H. S. McComb	200	at 20	
C. H. McCormick	50	at 20	
B. Holladay	200	at 20	
	650		

650 shares at 20 per cent.
7,450 shares at 10 per cent 87,500

Aug. 18. By cash—scrip, account: For amount of scrip received from the following-named parties, in payment of 70 per cent. on number of shares standing in their names, same having been transferred to them by Credit Mobilier of America, being 30 per cent. stock, making their stock full paid:

	Shares.
Oliver Ames, March 29	1,563
Oakes Ames, March 39	449
James W. Grimes, March 29	125
Paul Pohl, jr., April 4	3
J. M. S. Williams, April 4	313
W. T. Glidden, April 4	312
John Duff, April 4	625
Elisha Atkins, April 5	156
Wm. H. Macy, April 5	125
R. G. Hazard, April 6	500
I. P. Hazard, April 6	125
C. A. Lambard, April 6	625
S. Hooper & Co., April 10	250
F. Nickerson, April 10	125
G. G. Gray, April 11	633
Ezra H. Baker, April 12	156
Thomas Nickerson, April 12	50
E. Reed Meyer, April 12	10
J. B. Alley, April 13	250
W. D. Forbes, April 13	50
O. S. Chapman, April 13	156
S. Dillon, April 13	313
H. S. McComb, April 19	250
George Opdyke, April 27	231
O. W. Barnes, April 30	20
H. W. Gray, May 9	13
C. H. McCormick, May 14	313
L. E. French, June 10	10
H. J. Gilbert, June 15	44
Horatio Gilbert, June 19	63
Oliver Ames, July 26	1,563
Oakes Ames & E. W. Gilmore, July 26	450
John Duff, July 26	625
J. M. S. Williams, July 26	312
W. T. Glidden, July 26	313
H. W. Gray, July 26	12
G. G. Gray, July 26	634
W. D. Forbes, July 26	50
J. B. Alley, July 26	250
Sidney Dillon, July 26	312
H. S. McComb, July 26	250
	$901,530

Sept. 21. By cash: Amount paid in by John A. Dix, for fifty shares, of $100 each, subscribed for him this day, making the same full paid | 5,000

Sept. 24. By cash: For amount of scrip received from the following-named parties in payment of 70 per cent. on number of shares standing in their names, same having been transferred to them by Credit Mobilier of America, being 30 per cent. stock, thus making their stock full paid:

I. P. Hazard, August 3	250	$17,500
R. G. Hazard, August 3	1,250	87,500
Charles M. Hall, August 10	15	1,050
O. S. Chapman, August 28	156	10,920
J. Bardwell, August 30	250	17,500
B. E. Bates, September 18	600	42,000
James W. Grimes, September 19	125	8,750
S. Hooper & Co., September 19	250	17,500
Horatio Gilbert, September 19	63	4,410
Horatio J. Gilbert, September 19	44	3,080
F. Nickerson, September 19	125	8,750
Ezra H. Baker, September 20	156	10,920
C. S. Bushnell, September 22	750	52,500
Benjamin Holladay, September 22	500	35,000
Elishia Atkins, September 22	156	52,500
Paul Pohl, jr., September 22	3	210
Joseph Nickerson, September 22	125	8,750

H. S. McComb, September 22	50	$3,500	
C. A. Lambard, September 22	625	43,750	
Thomas Nickerson, September 19	50	3,500	
			$388,010

Sept. 22. By cash: Received from Credit Mobilier of America an installment of 30 per cent. on subscription to capital stock of 2,000 shares subscribed for by them 21st instant 60,000

Sept. 22. By scrip: For amount of scrip received from Thomas C. Durant, being for an installment of 25 per cent. on his subscription for 12,000 of the stock of the company, 21st 300,000

Sept. 27. By cash: For amount paid by Charles Tuttle, on 22d instant, being payment in full on his subscription for twenty shares of the capital stock of this company 2,000

Oct. 23. By cash: For amount of installment of 5 per cent. on capital stock of his subscription 500

Dec. 31. By cash: For subscription, this day, to capital stock by the Credit Mobilier of America, for 19,192 shares, of $100 each, 30 per cent. paid 575,760

Dec. 31. By cash: For 5 per cent. installment received from Credit Mobilier of America on subscription of 12,000 shares made by T. C. Durant, on which 25 per cent. was paid, this installment making same 30 per cent. stock 60,000

Dec. 31. By cash, for 30 per cent. installment on new subscription of Credit Mobilier of America for 19,200 shares, on which they paid upon 19,192 shares, leaving 8 shares now received 240

Dec. 31. By scrip: For 70 per cent. on 24,494 shares capital stock paid in this day:

	Shares.
John Duff	1,250
S. Dillon	625
J. M. S. Williams	620
Oliver Ames	3,125
B. E. Bates	600
John B. Alley	500
W. D. Forbes	100
H. Gilbert	125
C. H. McCormick	625
Elisha Atkins	312
H. S. McComb	550
P. Pohl, jr	6
Thos. Nickerson	100
B. D. Stuart	5
R. Hazard	250
G. F. Train	125
Williams & Guion	250
C. S. Bushnell	700
J. H. Scranton	5
David Jones	250
C. C. Waite	50
Geo. Opdyke	350
T. C. Durant	5,808
G. G. Gray	1,267
G. F. Train	125
C. A. Lambard	1,250
W. T. Glidden	625
O. S. Chapman	312
J. Nickerson	250
F. Nickerson	250
I. P. Hazard	250
S. Hooper & Co	500
H. J. Gilbert	87
Oakes Ames	800
E. H. Baker	313
J. L. King	50
J. W. Grimes	250
J. Bardwell	250
E. W. Gilmore	100
O. W. Barnes	10
L. E. French	20

	Shares.	
H. W. Gray	25	
W. H. Macy	250	
Benj. Halladay	500	
E. Reed Meyer	20	
H. C. Crane	30	
T. C. Durant	260	
D. Jones	250	
Geo. Opdyke	119	
	24,494	$1,714,580

1866.

Dec. 31. To scrip: For 70 per cent. on 313 shares stock belonging to C. H. McCormick, paid in by him this day, making said stock full paid 21,910

Dec. 31. By scrip: For 70 per cent. on 6,000 shares stock belonging to T. C. Durant, paid in by him this day, making said stock full paid 420,000

1867.

Feb. 27. By scrip: For 70 per cent. paid in by Elisha Atkins on 50 shares 3,500

Mar. 25. By scrip: For scrip received from R. G. Hazard, March 9, on account, 250 shares 17,500

April 29. By scrip: Scrip received from Credit Mobilier of America to make the following stock 30 per cent paid:

One thousand four hundred shares Credit Mobilier of America, 10 per cent., paid 20 per cent	$28,000	
Less overpayment as follows:		
E. H. Rosekrans, 200 shares, 5	1,000	
Credit Mobilier of America, 200 shares, 5	1,000	
Credit Mobilier of America, 250 shares, 10	2,50	
		4,500
		23,500

Oct. 10. By scrip: For amount scrip surrendered by John E. Henry, being 15 per cent. on 100 shares standing in his name, making same 30 per cent. stock 1,500

Oct. 28. By scrip: Amount received from S. B. Chittenden, being 20 per cent. on 10 shares, making same 30 per cent 2,000

Oct. 31. By scrip: For amount received from Morris Ketcham, being 20 per cent. on subscription of 20 shares, making same 30 per cent. paid 4,000

Nov. 1. By sundries:

By scrip	$1,970	
Credit Mobilier of America, for amount paid in this day following subscriptions:	13,530	
V. W. Shipmen, 20 shares, 20 per cent	4,000	
D. W. Barnes, 20 shares, 20 per cent	4,000	
C. R. Shelden, 15 shares, 20 per cent	3,000	
W. B. Ogden, 5 shares, 10 per cent	500	
O. D. Ashley, 20 sheres, 20 per cent	4,000	
Making same 30 per cent.		
		15,500

Nov. 7. By Credit Mobilier of America, for amount paid this day on account following stock:

E. V. W. Shipman, 10 shares, 20 per cent	2,000	
A. Campbell, 5 shares, 20 per cent	1,000	
Making same 30 per cent. paid.		
		3,000

Nov. 20. By cash: Capital stock, R. Nally 4,000

Dec. 14. By cash: Capital stock, sundries:

Francis Smith	200	
Samuel Sloan	1,000	
Cornelius Mead	4,000	
		5,200

Dec. 17. By cash: Cash to sundries; capital stock on account:

James Barthish, 20 shares, 20 per cent	4,000	
J. F. Chamberlan, 30 shares, 20 per cent	6,000	
G. W. Cass, 5 shares, 20 per cent	1,000	

	J. F. Lamo, 5 shares, 20 per cent	$1,000	
	J. E. Thompson, 5 shares, 20 per cent	1,000	
	J. Ulrich, 65 shares, 20 per cent	13,000	
	Silas Seymour, 30 shares, 20 per cent	6,000	
	G. A. Thompson, 5 shares, 20 per cent	1,000	
			$33,000
Dec. 18.	By cash: Cash to sundries; capital stock on account		4,000
Dec. 20.	By cash: Capital stock:		
	Tiffany & Co, 10 shares, 20 per cent	2,000	
	A. G. Butler, 10 shares, 20 per cent	2,000	
	W. E. Dodge, 20 shares, 20 per cent	4,000	
	D. A. Carrington, 20 shares, 20 per cent	4,000	
	G. W. Hodges, 20 shares, 20 per cent	4,000	
	F. S. Winston, 5 shares, 20 per cent	1,000	
			17,000
Dec. 24.	By cash: Clark Bell, 20 shares, 10 per cent	2,000	
	Clark Bell, 10 shares, 20 per cent	2,000	
			4,000
Dec. 27.	By cash: Alex. Hay, 20 shares, 10 per cent	2,000	
	A. G. Jerome, 20 shares, 20 per cent	4,000	
	W. Tilden, 10 shares, 20 per cent	2,000	
	Henry Blood, 5 shares, 20 per cent	1,000	
	James C. Kennedy, 10 shares, 10 per cent	1,000	
			10,000
Dec. 28.	By cash: Capital stock—E. Cook, J. E. Henry, 100 shares 15 per cent		1,500
1868.			
Jan. 4.	By cash: Capital stock—Contractors, 22,960 shares		2,296,000
	Credit Mobilier of America, 15,881 shares, at 70 per cent		1,111,670
	R. F. Gordon, 5 shares, at 90 per cent		4,500
1868.			
Jan. 31.	By cash to capital stock:		
	T. C. Durant	$8,000	
	J. G. Megrath	800	
			8,800
Feb. 27.	By cash to capital stock:		
	August Belmont, 80 per cent. on 10 shares	8,000	
	L. W. Jerome, 90 per cent. on 20 shares	18,000	
	W. R. Travers, 90 per cent. on 20 shares	18,000	
	G. R. Smith, 90 per cent. on 1 share	900	
	John Rickley, 80 per cent. on 1 share	800	
			45,700
April 7.	By cash to capital stock:		
	S. C. Pomeroy, 90 per cent. on 5 shares	4,500	
	O. P. Hurford, 75 per cent. on 1 share	750	
	A. Kountze, 80 per cent. on 3 shares	2,400	
			7,650
June 17.	By cash to capital stock:		
	Benjamin E. Bates, treasurer		1,500,000
July 3.	By cash to capital stock:		
	Contractors, 25,000 shares		2,500,000
July 9.	By cash:		
	B. E. Bates, trustee for contractors		300,000
	J. J. Crane		4,500
Sept. 16.	By cash:		
	John Butterfield	8,000	
	Ransom Gardner	3,500	
	Moses H. Grinnell	7,000	
			18,500
Dec. 30.	By cash:		
	H. C. Crane, assistant treasurer, 75,000 shares		7,500,000
1869.			
Feb. 17.	By cash:		
	H. C. Crane, assistant treasurer, subscription, 40,000 shares		4,000,000
Oct. 26.	By cash:		
	B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000

Nov. 3.	By cash: John A. Rice, assistant treasurer of trustees, subscription, 10,000 shares		$1,000,000
Nov. 26.	By cash: B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000
Dec. 18.	By cash: B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000
1870.			
Jan. 11.	By cash: B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000
Jan. 25.	By cash: B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000
Feb. 11.	By cash: B. E. Bates, treasurer of trustees, subscription, 20,000 shares		2,000,000
Feb. 18.	By cash: B. E. Bates, treasurer of trustees, subscription, 10,000 shares		1,000,000
July 29.	By cash: B. E. Bates, treasurer of trustees, subscription, 30,000 shares		3,000,000
*1864.			
Nov. 11.	Capital stock debtor to cash: For amount paid Robert Watkinson, being 10 per cent. on his subscription paid by him in error on second installment, new call, made for 5 per cent., and paid by him	$1,000	
*1866.			
July 30.	Capital stock debtor to cash: For repaid 10 per cent. installment on stock, 20 shares, in name of H. S. McComb, being amount overpaid 18th instant	2,000	
			3,000
	Total		$36,762,300

INCOME-BONDS AND STOCK.

Cash to sundries		$1,527,200
For income-bonds and stock sold following stockholders:		
	Bonds.	Stock.
P. Adams Ames	7,000	14,000
B. K. Hough	4,000	8,000
J. Bardwell	4,000	8,000
R. G. Hazard	50,000	10,000
Henry Sanford	52,000	24,000
P. B. Foster	8,000	16,000
G. G. Gray	13,000	26,000
H. H. Macy	7,000	14,000
C. S. Bushnell	14,000	24,000
B. H. Jenks	40,000	80,000
C. S. Bushnell	25,000	50,000
G. G. Gray	9,000	18,000
R. G. Hazard	125,000	250,000
Jas. Phelps	2,000	4,000
T. C. Durant	210,000	420,000
C. S. Bushnell	50,000	100,000
E. C. Moore	1,000	2,000
Chas. Tuttle	6,000	12,000
J. J. Cisco	5,000	10,000
B. F. Ham	2,000	4,000
D. N. Smith	25,000	50,000
H. H. Macy	20,000	40,000
T. C. Durant	50,000	100,000
B. H. Jenks	2,000	4,000
C. S. Bushnell	26,000	52,000
G. G. Gray	50,000	100,000

	Bonds.	Stock.
C. Durant	35,000	70,000
C. Durant	150,000	300,000
C. Crane, trustee	24,000	48,000
C. Crane, W. D. Train	26,000	52,000
F. Tracy	5,000	10,000
F. Durant	13,000	26,000
Hobart, jr	1,000	2,000
idden & Williams	38,000	76,000
C. Durant	50,000	100,000
Hedden	17,000	34,000
Reed Meyer	4,000	8,000
o. Opdyke	17,000	34,000
Nickerson	3,000	6,000
Bardwell	32,000	64,000
S. Hazard	10,000	20,000
L. King	13,000	26,000
W. Gilmore	3,000	6,000
C. Durant	12,000	24,000
B. Alley	9,000	18,000
G. Hazard	27,000	54,000
G. Gray	12,000	24,000
C. Durant	100,000	200,000
n Duff	101,000	202,000
Cook	30,000	60,000
S. Chapman	1,000	2,000
G. Gray	55,000	110,000
C. Durant	40,000	80,000
H. Jenks	5,000	10,000
G. Hazard	16,000	32,000
C. Durant	35,000	70,000
E. Bates	8,000	16,000
& H. Gilbert	28,000	56,000
os. Nickerson	1,000	2,000
Bardwell	20,000	40,000
C. Durant	18,000	36,000
A. Guest	6,000	12,000
	1,909,000	3,818,000

some-bonds, 1,909,000, at 60	$1,145,400
ck Union Pacific Railroad Company, 3,818,000, at 10	381,800
fit and loss	3,436,200
stock Union Pacific Railroad Company	3,436,200
discount, 3,818,000, at 90	.....

CONTRACTS OF THE UNION PACIFIC RAILROAD COMPANY.

A.

NEW YORK, *August* 8, 1864.

the President and Committee on Contracts of the Union Pacific Railroad Company:

GENTLEMEN: I propose to enter into a contract to build and equip e hundred miles of your railroad and telegraph, commencing at aha City, complying, as far as practicable, to the general specifications hereunto annexed, upon the following terms and conditions, viz: To proceed at once with the grading and bridging, and complete the ne within the time required by the acts of Congress specified, and in h manner as will comply with the same; to assume all your contracts ties, iron, and equipment—the company reserving the right, if they et, to dispose of what iron they have with the exception of, say, five e hundred tons, which may be required to facilitate the grading, and e to dispose of the equipment not needed this season, except three omotives and ten platform-cars; but in case they elect to do so, shall

give me written notice of their intention prior to the 1st day of October next.

To build all necessary side track, not exceeding six per cent. in length of the main line, the contractor to have the right to change grades, provided the maximum grade shall not exceed that of the New York Central Railroad. Also to have the right to enter upon all lands belonging to said company, for the purpose of obtaining material used in the construction of the road.

Should the company decide to Burnetize the cottonwood used for ties, they shall pay in addition sixteen cents for each tie, and for all other timber in like proportion.

The contractor shall not be required to expend in the construction of any one bridge over eighty-five thousand dollars, nor shall he be required to expend for the erection of station-buildings, machinery, machine-shops, tanks, equipments, &c., more than five thousand dollars per mile, or five hundred thousand dollars in the aggregate, but the same shall be expended as directed by the engineer. The contractor to have the use of the road until the contract is completed. The work on the sections near Omaha, which have been let by the company, or which have been commenced, to be continued by them or transferred to me as may be agreed upon hereafter, and the cost of the same to be charged to me in final settlement. Any excess in the cost of iron above one hundred and thirty dollars per ton at Omaha to be allowed by the company. Right of way to be furnished by the company. The expense of engineers engaged in the construction to be paid by the contractor. The company to pay for the same, at the rate of fifty thousand dollars for each and every mile so completed. Payments to be made as the work progresses, upon the estimate of the engineers, in making which the engineer shall deduct from each section its proportion of the cost of equipment not then furnished, station-buildings, superstructure, and cost of telegraph; but all material delivered or in transit for the account of the company may be estimated for. The contractor to furnish money upon the securities of the company, as hereinafter provided for in the construction of each section of the length required by the acts of Congress hereinbefore referred to, viz:

The company shall proceed to mortgage the land acquired from the Government at not more than sixteen thousand dollars per mile, bearing seven per cent. interest, payable semi-annually in the city of New York, which bonds shall be receivable as the bonds of the company at such prices as may be fixed upon from time to time as the cash price of the lands. The company to proceed to the preparing of the first-mortgage bonds as provided for under the act, made and put on record, the mortgage securing the same, so that the bonds may be ready for use as soon as the provisions of the law are complied with; and shall do everything necessary and requisite to obtain the Government bonds at an early day. In the mean time, if required, the company to execute certificates of an amount to correspond to the first-mortgage and Government bonds, changeable for the same upon the company's obtaining the United States bonds. Said certificates to bear interest payable semi-annually at the rate of six per cent. On these certificates I will advance, or procure to be advanced, the necessary funds to the company, at the rate of eighty per cent. of their par value, and on the land-grant bonds seventy per cent., reserving the right to dispose of them whenever the amount so advanced, including what may be due on construction, shall exceed five hundred thousand dollars, or whenever said advance shall have been made over four months, but not to do so for less than

the prices above named. The company in their option to decide whether I take the bonds, or any portion of them, at the prices above named, in payment for advances and interest, if called upon to do so within thirty days thereafter. I will also subscribe, or cause to be subscribed, to the capital stock of your company, five hundred thousand dollars. I will assume and pay such obligations or accounts as may have been certified to by the committee appointed by your board or executive committee for services and expenses, the company paying me the amount of the obligation so certified to and assumed. In making this proposition, it may be well to state that I am connected with and agent for parties who have machines, oxen, and necessary outfit for prosecuting the work, and are prepared to commence at once, having sent cattle and tools to Nebraska.

H. M. HOXIE,
By H. C. CRANE,
Attorney.

H. M. HOXIE, Esq.:

DEAR SIR: You will please go on with the work under the above proposition, and if the company do not accept it before the first day of October next, they will pay you upon the same terms and conditions for what work may be done, as shown by the estimates of the engineers, made as provided in this proposition, first giving you thirty days' notice that they do not accept.

GEORGE T. M. DAVIS,
Special Committee.

Above contract is approved and ratified.

[SEAL.]

JOHN A. DIX.
C. S. BUSHNELL.
GEORGE T. M. DAVIS.

SEPTEMBER 23, 1864.

NEW YORK, *October* 4, 1864.

To the President and Executive Committee of the Union Pacific Railroad Company:

On condition that your railroad company will extend my contract from its present length for one hundred miles, so as to embrace all that portion of the road between Omaha and the one hundredth meridian of longitude, I will subscribe, or cause to be subscribed, for five hundred thousand dollars of the stock of your company.

Respectfully, yours,

H. M. HOXIE,
By H. C. CRANE,
Attorney.

The above proposition is hereby accepted for and on behalf of the Union Pacific Railroad Company.

JOHN A. DIX,
C. S. BUSHNELL,
GEO. T. M. DAVIS,
Special Committee.

OCTOBER 3, 1864.

B.

NEW YORK, *October* 7, 1864.

Whereas H. M. Hoxie, esq., of the State of Iowa, has a certain contract, bearing date the eighth day of August, 1864, for the construction

of a portion of the road of the Union Pacific Railroad Company, which contract the said Hoxie has agreed to assign to Thomas C. Durant, esq., of the city of New York, or to such party or parties as he may designate by agreement, bearing date the thirtieth day of September, 1864, the terms of which assignment form a part of this agreement: Now, therefore, we, the undersigned, hereby agree to take an interest in the said contract to the extent set opposite our respective names, depositing at the same time, in the hands of said Thomas C. Durant, twenty-five per centum in cash on the interest so subscribed. And the parties hereto agree one with the other, that, should default be made in payment of the balance of the interest so subscribed as required, the party so defaulting shall not be entitled to any further interest in said contract than the amount paid bears to the amount subscribed. It is understood that the amount subscribed for the carrying out of this contract shall be one million six hundred thousand dollars.

Thomas C. Durant, six hundred thousand dollars; C. S. Bushnell, four hundred thousand dollars; Charles A. Lambard, one hundred thousand dollars; H. S. McComb, one hundred thousand dollars; H. W. Gray, two hundred thousand dollars, &c., &c.

C.

Know all men by these presents, that I, Herbert M. Hoxie, for and in consideration of one dollar, to me in hand paid, the receipt whereof is hereby acknowledged, and for divers other good and valuable considerations me thereunto moving, do hereby sell, assign, transfer, and make over unto John Duff, trustee, all and singular the agreements between the Union Pacific Railroad Company and myself, made by and contained in a certain proposition in writing, signed by me, and dated August 8, 1864, and an acceptance thereof by said company, under its seal, dated September 23, 1864, both which proposition and acceptance are hereto annexed; and also all my rights under said agreement, and all moneys, property, privileges, payments, benefits, and advantages to me or to my heirs, representatives, or assigns by said agreement provided for or secured, with full power to use my name whenever necessary or proper for obtaining, receiving, or enforcing the said rights, moneys, property, privileges, payments, benefits, and advantages as fully as I myself could do the same; subject, nevertheless, to my agreement with the Credit Mobilier of America, dated the 15th of March, 1865, and all my rights thereunder.

In witness whereof I have hereunto set my hand and seal this fifteenth day of March, one thousand eight hundred and sixty-five.

HERBERT M. HOXIE. [L. S.]

[United States internal-revenue stamp, $1, canceled.]

N. B.—1. 24, "March" written on erasure before execution.

Witness:

BENJAMIN F. BUNKER.

Whereas, Herbert M. Hoxie and the Union Pacific Railroad Company have entered into an agreement by means of the foregoing writings, (namely, a proposition from said Hoxie, dated August 8, 1864, and an acceptance thereof, dated September 23, 1864:)

Now these presents witness that the Credit Mobilier of America, in consideration of one dollar, to them in hand paid, the receipt whereof is hereby acknowledged, and for divers other good and valuable consid-

erations them thereunto moving, do hereby covenant and agree to guarantee, and hereby do guarantee, to and with the said Union Pacific Railroad Company, that the said Herbert M. Hoxie, or his representatives or assigns, shall and will, well, truly, and perfectly perform and fulfill the said agreement in all things on his part to be done or performed, according to the terms and true intent of said agreement, as in said foregoing writings contained.

In witness whereof, the said Credit Mobilier of America have caused these presents to be sealed with their corporate seal and signed by their president, this fifteenth day of March, one thousand eight hundred and sixty-five, at their agency in the city of New York.

[SEAL.] THOMAS C. DURANT,
President.

Attest:
B. F. BUNKER,
Assistant Secretary.

Memorandum of an agreement made the 15th day of March, 1865, between the Credit Mobilier of America, a corporation organized under the laws of the State of Pennsylvania, of one part, and Herbert M. Hoxie, of the other part.

Whereas, by certain writings hereto annexed, and forming part of these presents, a contract has been made by and between the Union Pacific Railroad Company and said Hoxie;

And whereas said Hoxie has partly performed the same:

Now, in consideration of the premises, and of the mutual grants and agreements herein contained, the parties to these presents grant and agree as follows:

Said Credit Mobilier agrees to execute to said company a guarantee of the performance of said contract by said Hoxie, and also to make to said Hoxie all advances of money which may be necessary to provide and pay for labor, materials, services, and all other expenses and charges in the construction of the railroad, and other performance of said contract on said Hoxie's part; and also to provide for, secure, and obtain all subscriptions to capital stock required by said contract from said Hoxie. Said Hoxie agrees to, and hereby does, assign to said Credit Mobilier all his right to have and receive from said company securities, stocks, moneys, profits, and payments due or to become due for constructing the railroad, or other performance of said contract, upon said Hoxie's being paid for all work done and materials furnished, as by adjustment certificates of the engineer or settlement made in December last; and he hereby appoints said Credit Mobilier his lawful attorney irrevocable, to take, collect, and receive for their use all the matters and things so assigned.

And for the better securing said Credit Mobilier against being made chargeable on said guarantee by any default of said Hoxie, and against any loss of the matters and things above assigned, said Hoxie hereby appoints said Credit Mobilier his lawful attorney, irrevocable, to name, constitute, employ, and at their pleasure remove all agents and subagents which said Credit Mobilier may deem necessary or proper, to conduct, manage, and do the business of constructing the railroad, otherwise performing said contract, and to pay out and apply the moneys so to be advanced to the uses for which the same are to be advanced, and does hereby pledge and transfer to said Credit Mobilier the said contract and all his rights under the same as collateral security for the performance of said contract on his part, with full power to enforce such pledge on default without notice.

The said Credit Mobilier agrees to save said Hoxie harmless and indemnified against all claims under said contract, and to pay the said Hoxie five thousand dollars in cash and ten thousand dollars in the stock of the Union Pacific Railroad Company, and to carry out the conditions relating to a construction bureau, as shown by specifications hereto annexed.

In witness whereof said Credit Mobilier has executed this memorandum under its seal and signature of its president, and said Hoxie has signed and sealed the same, the day and year first above written, at their agency in the city of New York.

T. C. DURANT, *President.*
H. M. HOXIE.

Witness: B. F. BUNKER.

D.

L. B. BOOMER, ESQ., *Chicago, Illinois:*

SIR: Referring to our informal agreement for the construction of a portion of the Union Pacific Railroad, I hand you the following memorandum of contract, which, if in accordance with your understanding as to details, you will please indorse as accepted, and return me one copy, retaining the other for yourself:

1st. You to assume such existing contracts for material, grading, bridging, &c., &c., as may properly belong or appertain to the construction of one hundred and fifty miles of the road westward from the one hundredth meridian of longitude, including an agreement for the grading and superstruction of that portion of the road between the one hundredth meridian of longitude and the west bank of the North Platte River, at the rate of nineteen thousand five hundred dollars per mile, exclusive of the bridge over the said river, which bridge is to be paid for at the actual cost of construction.

2d. All the present employés on construction are to be retained and employed under this contract, unless discharged for inefficiency or other good reasons. That the work shall be under my supervision, or that of the engineer or person designated by the company, and through the superintendents, engineers, agents, and contractors now on the work, in order that the present effective organization may not be impaired or changed until the railroad company decide whether they let the contract for building and equipping the balance of the road to parties who may wish to have the advantage of the present organization or do the work themselves as a corporation; but nothing in this shall be construed to prevent the employment of other agents, if thereby the work can be more expeditiously and economically prosecuted.

3d. The grading, bridging, and superstructure to be completed to the satisfaction of the company's engineer and the acceptance of the Government commissioners, and of the same character as to workmanship, material, and kind of iron, &c., as in the construction of the one hundred miles east of the one hundredth meridian of longitude.

4th. Work on station-buildings, depot-grounds, tank-houses, or anything appertaining thereto, or equipment and rolling-stock, to be an additional charge, but all such work is to be done with the sanction and under the direction of the engineer in charge. The side-track and turn-outs necessary for the immediate requirements of the company, at the several stations established on the line, as indicated by the engineers at the present time, to be constructed at the expense of the contractor. If more should be required, the same is to be constructed at the expense of the company.

5th. The cost of iron, delivered at Omaha, is guaranteed not to exceed one hundred and thirty dollars per ton; and if ties or bridge material are burned or destroyed, the company is to pay the actual cost of the same. The transportation of men and material, &c., used for the construction, to be free of charge to the contractor over the completed portion of the road.

6th. The work to be pushed with the same rapidity as heretofore, and, if required, to be completed at the rate of two miles for each pleasant working-day, provided the company deliver and transport the necessary material therefor over the completed portion of the road without causing detention.

In case the engineer in charge is of the opinion the grading, &c., is not progressing as fast as required to comply with the contract, he shall be at liberty to place more men on the work, at the cost of the contractor; but the company shall not require grading to be done while the ground is frozen, unless at their own cost and expense; neither shall the contractor be liable for delays from high water or causes entirely beyond his control.

7th. In consideration of the faithful performance on your part of the above work, you shall be paid twenty thousand dollars per mile for each and every mile so completed west of the North Platte River bridge to the termination of the fourth hundred miles westward from Omaha, and nineteen thousand five hundred dollars per mile, and the cost of the North Platte River bridge, for each and every mile between the one hundredth meridian and the west bank of the North Platte River, as hereinbefore referred to. Payments to be made as the work progresses, on the monthly estimates of the engineer in charge of the work, and that material delivered or in transit may be estimated when the same has been shipped for account of the company.

THOS. C. DURANT, *Agent.*

NEW YORK, *November* 10, 1866.

I hereby accept the above.

L. B. BOOMER.

I hereby become personally responsible for the payment to you of the above.

THOS. C. DURANT.

The within contract may be terminated by giving me ten days' notice, in writing, and the payment, according to the terms thereof, of all sums that may be due for work performed and material furnished.

L. B. BOOMER.

E.

CERTIFICATE OF ENGINEER REFERRED TO IN ABOVE REPORT OF THE TREASURER OF THE UNION PACIFIC RAILROAD COMPANY.

Estimate to contractors for building road west of one hundredth meridian, December 31, 1868.

100 miles, at $42,000 per mile	$4,200,000
167 miles, at $45,000 per mile	7,515,000
100 miles, at $96,000 per mile	9,600,000
100 miles, at $80,000 per mile	8,000,000
100 miles, at $90,000 per mile	9,000,000
100 miles, at $96,000 per mile	9,600,000
46 miles, at $90,000 per mile	4,140,000

400,000 ties, at $1 each	$400,000
10,875 tons iron, at $110 per ton	1,196,250
30 tons splice-bars, at $185 per ton	5,500
100 frogs and switches, at $100 each	10,000
1,000 telegraph-poles, at $2 each	2,000
100 miles wire, at $50 per mile	5,000
500,000 F. B. M. bridge-timber, at $50 per M	25,000
100,000 F. B. M. lumber, at $45 per M	4,500
100 miles grading, at $20,000 per mile	2,000,000
Equipment:	
103 locomotives, at $14,000 each	1,442,000
16 first-class passenger-cars, at $4,000 each	96,000
8 second-class passenger-cars, at $3,500 each	28,000
14 baggage and express cars, at $2,800 each	39,200
81 caboose-cars, at $2,000 each	162,000
494 box freight-cars, at $900 each	444,600
1,589 platform-cars, at $767 each	1,218,763
54 station-houses, at $2,500 each	135,000
60 tank-houses, at $1,500 each	90,000
70 windmills, at $1,500 each	105,000
10 coal-houses, at $1,800 each	18,000
12 turn-tables, at $1,500 each	18,000
North Platte round-house	80,000
North Platte shops	150,000
North Platte eating-house	15,000
Sidney round-house	20,000
Cheyenne round-house	80,000
Cheyenne shops	100,000
Cheyenne eating-house	22,000
Sherman round-house	20,000
Laramie round-house	80,000
Laramie shops	200,000
Laramie eating-house	45,000
Medicine Bow round-house	20,000
Rawling's Springs round-house	40,000
Rawling's Springs shops	150,000
Rawling's Springs eating-house	27,000
Bitter Creek round-house	40,000
Machinery for Bryan shops	150,000
	60,738,863
Deduct unfinished work, as follows:	
713 miles equipment, per contract, at $7,500 per mile	5,347,500
	55,391,363
Amount received from company	43,725,000
	11,666,363

G. M. DODGE,
Chief Engineer.

F.

THE "OAKES AMES CONTRACT," AND THE TRANSFERS OF THE SAME.

Copy of contract Union Pacific Railroad Company with Oakes Ames, and transfer to T. C. Durant and others.

Agreement made this 16th day of August, 1867, between the Union Pacific Railroad Company, party of the first part, and Oakes Ames, party of the second part, witnesseth—

That the party of the first part agrees to let and contract, and the party of the second part agrees to contract, as follows, to wit:

First. The party of the second part agrees and binds himself, his heirs, executors, administrators, and assigns, to build and equip the following-named portions of the railroad and telegraph line of the party of the first part, commencing at the 100th meridian of longitude, upon the following terms and conditions, to wit:

1st 100 miles at, and for the rate of, $42,000 per mile.
2d 167 miles at, and for the rate of, $45,000 per mile.
3d 100 miles at, and for the rate of, $96,000 per mile.
4th 100 miles at, and for the rate of, $80,000 per mile.
5th 100 miles at, and for the rate of, $90,000 per mile.
6th 100 miles at, and for the rate of, $96,000 per mile.

Second. At least three hundred and fifty miles shall be, if possible, completed and ready for acceptance before the 1st day of January, 1868, provided the Union Pacific Railroad Company transport the material. The whole to be constructed in a good and workmanlike manner, upon the same general plan and specifications as adopted east of the 100th meridian of longitude. The party of the second part shall erect all such necessary depots, machine-shops, machinery, tanks, turn-tables, and provide all necessary machinery and rolling-stock, at a cost of not less than $7,500 per mile, in cash, and shall construct all such necessary side-track as may be required by the party of the first part, not exceeding 6 per cent. of the length of the road constructed, and to be constructed, under this contract. The kind of timber used for ties, and in the bridges, and in its preparation, shall be such as from time to time may be ordered or prescribed by the general agent, or the company, under the rules and regulations, and standard, as recommended by the Secretary of the Interior, of the date of February —, 1866.

Third. Whenever one of the above-named sections of the road shall be finished to the satisfaction and acceptance of the Government commissioners, the same shall be delivered into the possession of the party of the first part, and upon such portions of the road, as well as on that part east of the 100th meridian now completed, the party of the first part shall transport, without delay, all men and material to be used in construction, at a price to be agreed upon by the party of the second part, his heirs, executors, administrators, or assigns, and the general agent, but not less than cost to the party of the first part.

Fourth. The party of the second part, his heirs, executors, administrators, or assigns, shall have the right to enter upon all lands belonging to the company, or upon which the company may have any rights, and take therefrom any material used in the construction of the road, and may have the right to change the grade and curvature within the limits of the provisions of the act of Congress for the temporary purpose of hastening the completion of the road, but the estimated cost of reducing the same to the grade and curvatures, as established by the chief

engineer, or as approved from time to time by the company, shall be deducted and retained by the party of the first part, until such grade and curvature is so reduced.

Fifth. The party of the second part, his heirs, executors, administrators, or assigns, is to receive from the company and enjoy the benefit of all existing contracts, and shall assume all such contracts and all liabilities of the company accrued or arising therefrom for work done or to be done, and material furnished or to be furnished, for or on account of the road west of the 100th meridian, crediting, however, the party of the first part on this contract all moneys heretofore paid or expended on account thereof.

Sixth. The party of the second part, for himself, his heirs, executors, administrators, and assigns, stipulates and agrees that the work shall be prosecuted and completed with energy and all possible speed, so as to complete the same at the earliest practicable day, it being understood that the speed of construction and time of completion is the essence of this contract, and at the same time the road to be a first-class road, with equipments; and if the same, in the opinion of the chief engineer, is not so prosecuted, both as regards quality and dispatch, that then the said party of the first part shall and may, through its general agent, or other officer detailed for that purpose, take charge of said work, and carry the same on at proper cost and expense of the party of the second part.

Seventh. The grading, bridging, and superstructure to be completed under the supervision of the general agent of the company, to the satisfaction of the chief engineer, and to be of the same character as to the workmanship and materials as in the construction of the road east of the 100th meridian.

It is, however, understood, that all iron hereafter purchased, or contracted for, shall be of the weight of not less than fifty-six pounds to the yard, and to be fish-bar joints.

Eighth. All the expenses of the engineering are to be charged and paid by the party of the second part, except the pay and salary of the chief engineer and consulting engineer, and their immediate assistants, and the expenses of the general survey of the route.

Ninth. The depot buildings, machine-shops, water-tanks, and also bridges, shall be of the most approved pattern, and they, as well as the kind of masonry and other material used, shall be previously approved by the general agent and chief engineer of the company, and all tunnels shall be of the proper width for a double track, and shall be arched with brick or stone, when necessary, for the protection of the same.

Tenth. Payments to be made as the work progresses, upon the estimates of the chief engineer—in making which the engineer shall deduct from each section its proportion of the cost of the equipment not then furnished, station-buildings, superstructure, and cost of telegraph, but all materials delivered or in transit for the account of the company may be estimated for.

Eleventh. Payments hereon shall be made to the party of the second part; his heirs, executors, administrators, or assigns, in cash; but if the Government bonds received by the company cannot be converted into money at their par value net, and the first-mortgage bonds of the company, at ninety cents on the dollar net, then the said party of the second part, his heirs, executors, administrators, and assigns shall be charged herein the difference between the amount realized and the above-named rates; provided the first-mortgage bonds are not sold for less than eighty cents on the dollar, and if there shall not be realized from the sale of

such bonds an amount sufficient to pay the party of the second part, his heirs, executors, administrators, or assigns, for work as stipulated in this contract, and according to the terms thereof, then such deficiency shall, from time to time, be subscribed by said party of the second part, his heirs, executors, administrators, or assigns, to the capital stock of said company, and proceeds of such subscriptions shall be paid to said party of the second part, his heirs, executors, administrators, or assigns, on this contract.

Twelfth. On the first one hundred miles on this contract there shall be added to the equipment now provided for, and intended to apply on this section, as follows, viz: six locomotives, fifty box-cars, four passenger-cars, two baggage-cars, and a proportionate amount of equipment of like character be supplied on the second section of one hundred miles after the same is completed.

Thirteenth. The amount provided to be expended for equipment, station-buildings, &c., shall be expended under the direction of the party of the first part, and in such proportion for cars, locomotives, machine-shops, station-buildings, &c., and at such points as they may determine. The party of the first part to have the full benefit of such expenditures without profit to the contractor, or they may, in their option, purchase the equipment, and expend any portion of said amount provided at any point on the road where they may deem the same most advantageous to the company, whether on the section on which said reservation occurs or not.

Fourteenth. The telegraph-line is included herein under the term "railroad," and is to be constructed in the same manner and with similar materials as in the lines east of the one hundredth meridian.

The said parties hereto, in consideration of the premises and of their covenants herein, do mutually agree, severally, to perform and fulfill their several respective agreements above written.

This contract having been submitted to the executive committee by resolution of the board of directors, August 16, 1867, and we having examined the details of the same, recommend its execution by the proper officers of the company with the Hon. Oakes Ames, the party named as the second part.

(Signed) OLIVER AMES,
C. S. BUSHNELL,
SPRINGER HARBAUGH,
THOMAS C. DURANT,
Executive Committee Union Pacific Railroad Company.

At a meeting of the executive committee held on the 1st day of October, 1867, a resolution was offered to approve the foregoing contract, which was lost. Thereupon the following resolutions were offered and adopted:

"*Resolved*, That the foregoing contract between the Union Pacific Railroad Company and Oakes Ames, referred to the executive committee by a resolution of the board, August 16, 1867, to settle the details, be approved, and that the proper officers of the company be instructed to execute the same, subject, however, to the written approval of the stockholders of the company, as understood by the board of directors when the same was voted upon.

"*Resolved*, That the option to extend this contract to Salt Lake be referred to the board, with recommendation that said option be accepted."

Assignment of contract to T. C. Durant and others.

Memorandum of agreement, in triplicate, made this 15th day of October, 1867, between Oakes Ames, of North Easton, Massachusetts, party of the first part, Thomas C. Durant, of the city of New York; Oliver Ames, of North Easton, Massachusetts; John B. Alley, of Lynn, Massachusetts; Sidney Dillon, of the city of New York; Cornelius S. Bushnell, of New Haven, Connecticut; Henry S. McComb, of Wilmington, Delaware; and Benjamin E. Bates, of Boston, Massachusetts, parties of the second part, and the Credit Mobilier of America, party of the third part.

That whereas the party of the first part has undertaken a certain large contract for the construction of a certain portion therein named of the railroad and telegraph line of the Union Pacific Railroad Company over the plains and through and over the Rocky Mountains, which will require a very large and hazardous outlay of capital, which capital he is desirous to be assured of raising, at such times and in such sums as will enable him to complete and perform the said contract according to its terms and conditions; and

Whereas the Credit Mobilier of America, the party of the third part, a corporation duly established by law, is empowered by its charter to advance and loan money in aid of such enterprises, and can control large amounts of capital for such purposes, and is willing to loan to said party of the first part such sums as may be found necessary to complete said contract, provided sufficient assurance may be made to said party of the third part therein that said sums shall be duly expended in the work of completing said railroad and telegraph line, and that the payments for the faithful performance of said contract by said railroad company shall be held and applied to re-imburse said party of the third part for their loans and advances, together with a reasonable interest for the use of the money so loaned and advanced; and

Whereas said party of the third part fully believes that said contract, if honestly and faithfully executed, will be both profitable and advantageous to the parties performing the same, are therefore willing to guarantee the performance and execution of the same, for a reasonable commission to be paid therefor; and

Whereas both parties of the first and third part have confidence and reliance in the integrity, business capacity, and ability of the several persons named as parties of the second part hereto, and confidently believe that said persons have large interests, as well in the Union Pacific Railroad Company as in the Credit Mobilier of America, they will execute and perform the said contract, and faithfully hold the proceeds thereof to the just use and benefit of the parties entitled thereto:

Therefore it is agreed by and between the said parties of the first, second, and third part hereto as follows, that is to say:

That said Oakes Ames, party of the first part hereto, hereby for and in consideration of one dollar lawful money of the United States, to him duly paid by the party of the second part, and for divers other good and valuable considerations herein thereunto moving, doth hereby assign, set over, and transfer unto the said Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates, parties of the second part, all the right, title, and interest of, in, and to the said certain contract heretofore made and executed by and between the Union Pacific Railroad Company and the said Oakes Ames, bearing date the 16th day of August, 1867, for the construction of portions of the railroad and telegraph line

of said railroad company, to which contract reference is herein made, for them, the said parties of the second part, to have and to hold the same to them and their survivors and successors forever in trust.

Nevertheless, upon the following trusts and conditions and limitations, to wit:

First. That they, the said parties of the second part, shall perform all the terms and conditions of the said contract so assigned, in all respects, which in and by the terms and conditions thereof is undertaken and assumed and agreed to be done and performed by the said party of the first part herein named.

Second. That they, the said parties of the second part, shall hold all the avails and proceeds of the said contract, and therefrom shall re-imburse themselves and the party of the third part hereto, all moneys advanced and expended by them, or either of them, in executing or performing the said contract, with interest and commission thereon, as hereinafter provided.

Third. Out of the said avails and proceeds to pay unto the parties of the second part a reasonable sum as compensation for their services as such trustees for executing and performing the terms and conditions of this agreement, which compensation shall not exceed the sum of three thousand dollars per annum to each and every one of the parties of the second part.

Fourth. To hold all the rest and residue of the said proceeds and avails for the use and benefit of such of the several persons holding and owning shares in the capital stock of the said Credit Mobilier of America on the day of the date hereof, in proportion to the number of shares which said stockholders now severally hold and own, and for the use and benefit of such of the several assignees and holders of such shares of stock at the times herein set forth, for the distribution of said residue and remainder of said avails and proceeds, who shall comply with the provisions, conditions, and limitations herein contained, which are on their part to be complied with.

Fifth. To pay over, on or before the first Wednesday of June and December in each year, or within thirty days thereafter, his just share and proportion of the residue and remainder of the said proceeds and avails as shall be justly estimated by the said trustees to have been made and earned as net profit on said contract, during the preceding six months, to each shareholder only in said Credit Mobilier of America, who being a stockholder in the Union Pacific Railroad shall have made and executed his power of attorney or proxy, irrevocable, to said several parties of the second part, their survivors and successors, empowering them, the said parties of the second part, to vote upon at least six-tenths of all the shares of stock owned by said shareholders of the Credit Mobilier of America in the capital stock of the Union Pacific Railroad Company, on the day of the date hereof, and six-tenths of any stock in said Union Pacific Railroad Company he may have received as dividend or otherwise, because or by virtue of having been a stockholder in said Credit Mobilier of America, or which may appertain to any shares in said Union Pacific Railroad Company which had been so assigned to him at the time or times of the distribution of the said profits as herein provided; and this trust is made and declared upon the express condition and limitation that it shall not inure in any manner or degree to the use or benefit of any stockholder of the Credit Mobilier of America who shall neglect or refuse to execute and deliver unto the said parties of the second part his proxy or power of attorney, in the manner and for the purpose hereinbefore provided, or who shall in

any way, or by any proceeding, knowingly hinder, delay, or interfere with the execution or performance of the trust and conditions herein declared and set forth.

And the above transfer and conveyance of said contract is made upon these further trusts and conditions, to wit:

First. The said parties of the second part, their survivors and successors, trustees as aforesaid, in all their acts and doings in the execution and performance of said contract, and in the execution of their several trusts and conditions herein set forth, shall act by the concurrent assent of four of their number, expressed in writing or by yea and nay vote, at a meeting of said trustees, either or both of which shall be recorded in a book of proceedings of said trustees, kept for the purpose by their secretary, and not otherwise.

Second. Said parties of the second part shall keep an office in the city of New York, for the transaction of the business incidental to said trust. Meetings of said trustees may be held on call of the secretary, on request of any two of their number; such call may be made personally or by mail.

Third. The said trustees shall appoint a competent person as secretary, who shall keep a faithful record of all their acts, proceedings, and contracts, in books to be provided for that purpose, and shall cause to be kept suitable books of accounts and vouchers of all their business transactions, which books shall at all times be open to the inspection of any of said trustees.

Fourth. The said trustees shall cause a monthly statement to be made, showing the amount due from the Union Pacific Railroad Company on account of work done, or equipment or material furnished under the contract, according to the estimates of the engineer of the Union Pacific Railroad Company, as provided in said contract, a copy of which statement shall be furnished to the Credit Mobilier of America.

And the above transfer and conveyance of said contract is made upon the further trust and condition:

First. That in case of death, declination, disability, by reason of sickness or absence from the country for the space of six months, or neglect to fulfill the duties and obligations of said trust for the same time, by either said trustees, the remaining or surviving trustees may declare the place of such trustee to be vacant, and fill such vacancy by vote in manner aforesaid.

Second. That in case any one of said trustees shall willfully neglect or evade the performance of his duties as such trustee, or shall willfully attempt to hinder, delay, obstruct, or interfere with the execution or performance of said contract, or the due execution and performance of said trust and conditions, according to the true intent thereof, or shall appropriate to his own use or benefit any money or other valuable thing belonging to or appertaining to said trust, fund, or property, he shall not be entitled further to act as such trustee or to receive any of the benefits of said trusts, either as shareholder in said Credit Mobilier of America or otherwise.

The parties of the second part do hereby accept the said trust, and agree faithfully to execute and perform the same according to the terms, conditions, and limitations herein set forth.

The party of the third part, in consideration of the premises, hereby agree to advance, as upon a loan, to the said parties of the second part, their survivors and successors, all such sums of money, and at such times as may be necessary, to enable said trustees economically and promptly to execute and perform the conditions of said contract, upon

the call of said parties of the second part, their survivors and successors, such sums, never to exceed in the whole the amount provided for in said contract, to be paid by the Union Pacific Railroad Company for the execution and performance thereof, and to receive therefor interest at the rate of seven per centum per annum, payable semi-annually, on each sum so advanced, until the same are repaid.

And said party of the third part do further agree, for the consideration aforesaid, and for an amount equal to two and one-half per cent. on the amount to be by them advanced, to be paid to them as commission, to, and do hereby, guarantee unto the parties of the first and second part, the due performance and execution of the said contract according to its terms and conditions, and to indemnify and hold harmless the said parties of the first and second part, of and from all cost, liability, loss, or damage to them, or either of them, arising from or on account of said contract, and to the faithful performance of the agreements, contracts, and conditions hereinabove specified to be done and performed by each.

And this conveyance and transfer is made upon the further trust and condition that the trustees shall adjust and pay over to the Credit Mobilier of America such portion of the net profits of the work done and material furnished on the first 100 miles west of the 100th meridian as was done and performed prior to January 1, 1867.

In witness whereof the party of the first part, the several parties of the second part, in their own proper persons, have hereunto set their hands and seals, and the party of the third part has caused these presents to be executed by its president, attested by its secretary, with the seal of the said company, on the day and year above written.

OAKES AMES.
THOS. C. DURANT.
OLIVER AMES.
JOHN B. ALLEY.
SIDNEY DILLON.
CORNELIUS S. BUSHNELL.
H. S. McCOMB.
BENJAMIN E. BATES.

Signed, sealed, and delivered in presence of—
CLARK BELL.

THE CREDIT MOBILIER OF AMERICA,
By its president,
SIDNEY DILLON.

Attest: BENJAMIN F. HAM,
Assistant Secretary.

G.

NEW YORK, *February* 26, 1869.

The executive committee of the board of directors of the Union Pacific Railroad Company, pursuant to adjournment, met this day at the office of the company.

Present: Messrs. Ames, Durant, McComb, Duff, and Bushnell.

The following communication was then received from the vice-president, Mr. Durant:

NEW YORK, *November* 27, 1868.

To the Board of Directors of the Union Pacific Railroad Company:

GENTLEMEN: I hand you herewith copy of contract and an assignment of the same in trust to the same parties who are trustees for the

assignees of the Ames contract, the whole subject to the approval of the stockholders of the Union Pacific Railroad Company. I found it absolutely necessary, in order to carry out the wishes of the board, to commence work on this portion of the road at once. The present organization, with its large outfit of teams, tools, and men, presented the most available means of doing the same. To have created an entirely new organization would cause so much delay that the programme of the company for the year would have been endangered. Should your stockholders not sanction the contract, you will have to make some fair arrangement with the trustees of the Ames contract for the use of their outfit. On the other hand, if approved, the work can go on under the same organization as heretofore.

Referring the whole subject for your action,

I remain, very respectfully, yours, &c.,

THOMAS C. DURANT,
Vice-President and General Agent.

There having been no meeting of your board since the date hereof, I hand the report to your executive committee. You will perceive I have taken the terms of the Oakes Ames contract as a base, believing that to be the wishes of the stockholders who approved said contract.

WEBER, *November* 1, 1868.

Thomas C. Durant, Vice-President and General Agent, Union Pacific Railroad Company:

SIR: I will build and equip, according to the specifications of the contract made by your company with Oakes Ames, esq., all that portion of your road not embraced in the said contract, and west of the same, upon the conditions and terms embraced in said contract, for the *pro rata* price per mile according to the amount of work to be done, which rate shall be established by competent engineers, or in such manner as your board shall determine.

(Signed) Yours, &c., JAMES W. DAVIS.

Accepted, subject to approval of all the stockholders of November 1.

(Signed) THOMAS C. DURANT,
Vice-President and General Agent.

WEBER, *November* 6, 1868.

Know all men by these presents that I, J. W. Davis, do hereby, in consideration of one dollar lawful money of the United States to me in hand paid, and for other considerations to me satisfactory, do hereby assign, transfer, and set over to Oliver Ames, Thomas C. Durant, John Duff, Sidney Dillon, H. S. McComb, B. E. Bates, and C. S. Bushnell, trustees for the stockholders of the Union Pacific Railroad Company, the contract made with me for building a portion of their road, dated November 1, to have and to hold the same, as trustees aforesaid, and all benefits and profits accruing from the same, they assuming and paying all losses and liabilities of every kind; said profits, if any, to be divided *pro rata* according to the amount of stock held by each stockholder, or to which he was entitled on the 1st day of November; this assignment and the contract referred to being subject to the approval of the aforesaid stockholders.

(Signed) JAMES W. DAVIS.

Witness:

(Signed) C. L. FROST.

By resolution, my action as to this contract was approved, and a committee appointed to obtain the assent of the stockholders.

INDEX.

A.

Page.

John B. Alley 1, 307, 556
Oakes Ames 6, 23, 344, 723
Oliver Ames 241, 260, 295
Elisha Atkins 303

B.

C. S. Bushnell 38, 528
O. W. Barnes 138
B. F. Butler 683

C.

Horace F. Clark 394, 665
C. C. Cox 574
Henry C. Crane 30, 512, 574, 629

D.

Thomas C. Durant 62, 67, 96, 513
John Duff 478
Peter A. Dey 238, 668
Sidney Dillon 497
Hon. O. J. Dickey 676

G.

Thomas P. Gilman 648

H.

Benjamin F. Ham 6, 371, 636, 640
Alexander Hay 457
T. Z. Hoover 569

K.

Hon. D. W. Kelley 580

L.

John W. Le Barnes 681

M.

Edward Morgan 648

P.

A. J. Poppleton 691

R.

Page.
E. H. Rollins 180, 210, 582, 638
J. A. Rice 294

S.

Joseph B. Stewart 173, 388
W. Bigler Shaw 220
B. W. Spence 344, 367, 595
Webster Snyder 467
E. J. Smith 568
Thomas A. Scott 649
Charles T. Sherman 651, 695

V.

C. C. Van Zandt 475

W.

J. M. S. Williams 160, 201
James F. Wilson 227, 302

INDEX TO TESTIMONY.

A.

ALLEY, JOHN B., testimony of:
Existence of the Credit Mobilier, p. 1; officers of the Union Pacific Railroad, 1; who procured the charter for the Credit Mobilier, 2; parties to the original organization of the Credit Mobilier, 2; Credit Mobilier a regular corporation, 2; New York agency, Credit Mobilier, 2; officers of the Credit Mobilier, 3; office of the Credit Mobilier, 3; custodian of the books, 3; officers and directors of the Union Pacific Railroad Company, 3; custodian of the books of the Union Pacific Railroad, 3; amount of stock of the Union Pacific Railroad Company subscribed and actually paid in, 3; the first contract for the construction of the Union Pacific Railroad, 3; Mr. Ames induced to become a member, 3; the contract for 247 miles of road practically made with the Credit Mobilier, 3; the Credit Mobilier had nothing to do with building the road except the first 247 miles, 4; Mr. Durant objects to the Credit Mobilier having the contract to build the road, 4; the Credit Mobilier agree to guarantee the fulfillment of the Ames contract, 4; property of the Credit Mobilier consisted of, 4; Oakes Ames agrees to build 667 miles of the road, 4; Davis contract, 4; the Ames contract subject to the assent of the stockholders of of the Union Pacific Railroad, 5; Ames contract assigned to seven trustees of the Credit Mobilier, 5; dividend declared by the Credit Mobilier, 5; profits made from the Ames contract, 5; out of what the two 6 per cent. dividends were made, 6; stockholders of the Union Pacific Railroad assent to the Ames contract, 6; the Government was not regarded as having an interest in the contract, 6; protest of Government directors filed with the Secretary of the Interior—testimony with reference to, 307; Mr. Sherman, Government director—his position with reference to the 58 miles of completed road under the Hoxie contract, 307, 308; Alley opposed to the Ames contract, 308; Mr. Ames did no work under his contract, 308; stockholders assent to the Ames contract, 308; reason why Mr. Ames demanded the assent of the stockholders, 308, 309; $10,000 paid to aid Harlan's election, 309, 310; suspense-account of $435,000, 310-313; report of the committee on the suspense-account, 314; resolution of Mr. McComb, approving the suspense-account, 314; a large portion of the money set out in the suspense-account was expended in 1862 and 1864, 314; the $112,000 mentioned in the suspense-account as having been paid to Durant December 29, 1865, 314, 315; money spent under the authority of the board, 315; money handed over to J. B. Stewart, 316; no report made to the directors of the Union Pacific Railroad of the result of the investigation of the suspense-account, 316; names of the committee of investigation on the suspense-account, 316; the $50,000 paid in settlement of the Fisk suit, 317; the Credit Mobilier and Union Pacific Railroad never paid a dollar to aid in the election of a United States Senator, 317, 318; explanation as to the $1,004,000, 318-320; can only explain the expenditures from memory and not from the books, 320; $36,000,000 in cash paid into the treasury of the Union Pacific Railroad on account of stock, 320; Credit Mobilier paid for the stock in cash or checks, 320; explanation as to the mode of paying for stock, 321; advice of counsel as to what constitutes an equivalent for money, 321; value of stock at the time of the Ames contract, 322; Oakes Ames mistaken about the value of the stock, 322; stock had no market value, 323; the price per mile agreed to be paid for the construction of the road was increased because the payment was to be made in stock, 323; the Union Pacific Railroad could not get dollar for dollar for its stock, 324; the stockholders of the Union Pacific Railroad Company and the stockholders of the Credit Mobilier were the same persons, 324; proposition to buy stock of those who were not willing to become stockholders in the Credit Mobilier, 324; those who did not buy stock in the Credit Mobilier received a part of the profits, 325; mode of letting the contracts, 325; when the Oakes Ames contract was let the stock was understood to be worth less than par, 325; the stock issued to the Credit Mobilier paid for in cash, in effect, 326; price paid per share for Union Pacific Railroad stock, $4 per share, 327, 328; all banks are organized under the advice of counsel, Boston lawyers, 329; parties to participate in the dividends under the Oakes Ames contract, 330; proxies, by whom

ALLEY, JOHN B.—Continued.

held and for what purpose, 330; the Hoxie contract, its extent, &c., 331; track laid not accepted by the Government, 331; the Oakes Ames contract extended over the one hundred and thirty-eight miles of completed road, in order to give the Credit Mobilier a profit upon the construction of that portion of the road, 332; Credit Mobilier claimed an interest in the Ames contract, 333; don't know how the profits were estimated, 333; dividends, amount, dates, &c., 334; in case the money paid out in dividends was required to complete the road, it was to be paid back, 334, 335; loans made to the road, how secured, 335; dividends could only properly be made out of the earnings of the road, 336; actual cost for building the road under the Ames contract, 336, 337; $12,000,000 profit, 337, 338; Mr. Ames did not expect to put the contract through himself, 338; value of stock, 339; what saves the company from bankruptcy, 339, 340; large sums owing to the Credit Mobilier by the Union Pacific Railroad at the time of making the Ames contract, 340; road accepted by the Government, and bonds issued, with dates, &c., 341; consideration paid to Hoxie for the assignment of contract, 342; the road considered in a delicate position financially, 342, 343; amount of Union Pacific Railroad stock held by Mr. Alley, 344; statement, and additional testimony of Mr. Alley, 556.

AMES, OAKES, testimony of:

The Government has paid to the Union Pacific Railroad Company $16,000 per mile to the foot of the Rocky Mountains, p. 23; about $27,000,000 of bonds in the whole, 23; the Government has given about one-fourth of the land, and withholds the other three-fourths, 23; we have got the land certified to us for 250 miles at twenty sections to the mile, in all, 5,000 sections, 23; amount of the first-mortgage bonds prior to the lien of the United States, about $27,000,000, 23; first-mortgage bonds were used for the construction of the road, 23; the first mortgage-bonds sold at 92½, 23; the bonds were sold for 92½, and we afterward got par for them, 23; about $2,000,000 worth of land sold, 23, 24; the Credit Mobilier assumed the Hoxie contract, 24; the Union Pacific Railroad paid over $47,000,000 on the Ames contract, 24; price per mile paid, 25; the Boomer and Davis contracts were assigned to the trustees, 25; I think the entire cost for construction of the Union Pacific Railroad, including the equipment, and the entire paraphernalia of the road, amounted to about $60,000,000, 25; stock all paid in cash, 25; I think we made about 15 per cent. on the Ames contract, 26; the first-mortgage bonds were taken by the trustees, 26; I took the contract without regard to anybody else, 27; dividends paid, 27; Union Pacific Railroad is not now paying dividends, 27; Union Pacific Railroad earnings, 27; net proceeds last year over running expenses and interest on bonds, $3,500,000, 28; I am a shovel-maker, 28; I looked over the estimates before making the contract, 28; I estimated that I should make 20 per cent., 29; the profits of the Credit Mobilier were about 300 per cent., 29; I guaranteed lots of stock-buyers against loss, 29; I guaranteed Senator Grimes and others, 29; I took the capitalists in before I made the contract, 30; my present judgment is, that we made $8,000,000 or 9,000,000 on the Oakes Ames contract, 30; I think the profit was more than 200 per cent.; I think it must have been 300 per cent., but I cannot tell you from memory, 30; hotel item of $18,000 paid at Willard's, 344; I have a recollection that an estimate was made by the chief engineer on the 31st of December, 1868, 679; I think the salary paid to the first president of the Union Pacific Railroad was $8,000 per year, 679; General Dix was a stockholder before I had anything to do with the road, 679; I recollect there was a letter from General Dix, 679; I let Painter have thirty shares, 680; Painter was clerk to some committee, 681; memorandum of agreement made the 16th day of October, 1867, between Thomas C. Durant, J. B. Alley, and others, 723; I wish to correct my former testimony as follows: on page 25, instead of the words "$16,000 a mile in stock," I want to insert "$16,000 a mile in first-mortgage bonds," and on the same page strike out the words "we, the people," and substitute "the trustees;" also other corrections, 724.

AMES, OLIVER, testimony of:

Elected director Union Pacific Railroad Company October, 1866, p. 241; elected president Union Pacific Railroad November, 1866, 241; became a stockholder in the Credit Mobilier in 1865, 241 and 242; Oakes Ames contract assigned to trustees within a month or two months after it was made, 242; Oliver Ames president of the company at the time contract was made, 242; Oliver Ames one of the board of trustees, 242; Davis contract, 242; Davis contract assigned, 242; Oliver Ames president of the company when Davis contract was made, 242; assignment of Davis contract to trustees, 242; trustees construct the road embraced in Davis contract, 242; trustees declare dividends, 243; only 5 and 10 per cent. paid on subscriptions, 243; $3,000,000 subscribed under the law of 1862, 243; stock subscribed for under the Hoxie and Ames contracts, 244; stock received by the Credit Mobilier, 244; first

AMES, OLIVER—Continued.
subscription made, 244; subscriptions for 1867, 244; original subscriptions in 1863, 244; 10 per cent. paid on shares, 244; subscription June, 1868, 245; dividend of 60 per cent. in cash and 40 per cent. in stock, 245; stock on which the dividend was made, 245; stock dividend at its par value, 245; trustees subscribe for $2,500,000 Union Pacific Railroad stock, 245; allotment of 75 per cent. to the stockholders Credit Mobilier, 245; proposal to sell 28,125 shares Union Pacific Railroad stock at not less than 40 per cent., 246; allotment of 30 per cent. in cash to the parties interested in trust, 246; subscriptions for $4,000,000 stock Union Pacific Railroad and purchase of $2,500,000 of certificates first-mortgage bonds Union Pacific Railroad at $101, 246; payment for stock how made, 246; Credit Mobilier calls for payment of $11,666,363, being amount due from Union Pacific Railroad on contracts, 246; Credit Mobilier subscribes for $7,500,000 stock in the Union Pacific Railroad, 246; allotment made to the parties of the trust 200 per cent. in stock Union Pacific Railrad, 246; committee to confer with Governor Evans in respect to iron and materials for the Denver road, 246; Duff and Bates, a committee to sell $5,000,000 Union Pacific Railroad stock at not less than 50 of the par value, 247; committee to adjust accounts, 247; resolutions of the seven trustees, 247; all stock subscribed for, 247; abandoned stock, 247; shares reduced to $100 each, 247; books kept open until 1869, 248; subscriptions, where made, 248; public notice inviting subscriptions, 248; on stock subscribed in 1866 and 1867 only 10 per cent. was paid, 248; first subscription by the Credit Mobilier, 248; indebtedness of the Union Pacific Railroad Company for construction under the Hoxie contract, 248; stock only represented when issued, 249; only paid stock voted in the government of the company, 249; stock paid for by the indebtedness of the Union Pacific Railroad to the contractors, 249; subscription of 50,000 shares of the stock of the Union Pacific Railroad by John A. Rice, 249; authority by which the Rice subscription was made, 249; how the subscriptions made by Mr. Rice was paid, 249; entries in the ledger of the trustees, 249; stock issued under contract, $1 per share, 250; paid cash for building the road and took stock from company, 250; stock not considered an equivalent to so much cash, 250; Credit Mobilier actually paid cash, 250; Union Pacific Railroad Company considered stock equivalent to cash, 250; contractors paid in cash, bonds of the company, and Government bonds, 250; value of the stock, 250; mode of payment by checks, 250; understanding at the time of making the Oakes Ames contract, 251; expectation in regard to aid, 251; partnership between Oakes and Oliver Ames, 251; Hoxie contract, 251; profits on Hoxie contract shared by the stockholders of Credit Mobilier, 251; Ames paid for road already built, 251; the character of the route and the existence of the Evans pass, 252; location of the road, 253; trustees actually pay $30,000 per mile in construction, but their contract with the Union Pacific Railroad gives them $96,000, 253; Credit Mobilier, how paid, 253; over one hundred miles completed and included in the Ames contract, 253 and 254; Ames's profit on the work, 254; road let upon engineer's estimates, 254; route adopted after the Oakes Ames contract, 255; opinion as to price at which the Oakes Ames contract was let, 255; Hoxie a man of no means, 256; stockholders in Credit Mobilier in 1865, 256; dividends, how divided, 256; affirmance of Mr. Alley's testimony, 256 and 257; stockholders in the Credit Mobilier interested in the Ames contract, 257; existence of the board of trustees, 258; one hundred and thirty-eight miles of completed road included in the Ames contract, 257; dividends, how divided, 258; route, 258; cost of the one hundred and thirty-eight miles of completed road included in the Ames contract, 258; Government commissioners examine the road, 258 and 259; the money derived under the Ames contract for the one hundred and thirty-eight miles of completed road divided among the stockholders of the Credit Mobilier before Ames commenced work on the road, 259 and 260; special legal expenses, including the $126,000, 260, 261, 262, 283, 264, and 265; release of Oakes Ames from his contract, 266; stock held by Oakes Ames and his brother, 266 and 267; note for $2,000,000, dated August 4, 1869, due Credit Mobilier on account, 267, 268, 269, and 270; Credit Mobilier on account of agreement for contract claims, $1,104,000, being money advanced by the Credit Mobilier to the Union Pacific Railroad, 271; dividends declared by the trustees, 271 and 272; proxies, by whom given, 272; Ames and Davis contracts, 272 and 273; statement of cost of road west of one hundredth meridian, per mile, built when the Oakes Ames contract was made, 273, 274, 275, and 276; value of stock at the time of making the Ames contract, 276; number of miles embraced in the Ames contract, 277; in letting the Ames contract the prices of the lettings were fixed with reference to the value of the stock, 276 and 277; stock issued to the contractors or the seven trustees, 277; resolution of Mr. Bushnell in relation to the item of $1,104,000, 278; under the Ames contract the Credit Mobilier was to advance money, 278; stock of Credit Mobilier held in trust by Oakes Ames, 278 and 279; stock to be disposed of among Congressmen, 280 and 281; dividend 12th December, 1867, 281, 282, and 283; resolution offered

AMES, OLIVER—Continued.
by Mr. Lambert in relation to the Hoxie contract, 283 and 284; Boomer contract, 285; responsibility of contractors, 285; bribe given to a Government commissioner, 287, 288, 289, and 290; trustees receive money on their contracts, 286; stock wanted to control the road, 291; advice of counsel in regard to the issue of stock, 292; money paid to General B. F. Butler, 293; report of John J. Cisco relating to legal expenses, 295, 296, 297, 298, and 299; suspense account, 300 and 301; money paid to Hon. Thad. Stevens, 302 and 303.

ATKINS, ELISHA, testimony of:
Stockholder in the Credit Mobilier, 303; director Union Pacific Railroad Company, 303; I hold in my possession the note for $2,000,000, 304; the circumstances under which the $2,000,000 note was given stated, 304; copy of the note, 304; the note never was used, 304; the note was given as collateral security for the parties signing the bond, and for no other purpose, 304; a member of the finance committee, 305; the $126,000 for legal expenses, 305; suppose the $126,000 was spent legitimately, 306; the $50,000 for special legal expenses, 306; the $50,000 paid out under the direction of the president of the company, 306; reason for holding the $2,000,000 note stated, 306; names of the parties who signed the bond for which the $2,000,000 note was given as collateral, 306.

B.

BUSHNELL, CORNELIUS S., testimony of:
Relation sustained to the Union Pacific Railroad Company, p. 38; first directors Union Pacific Railroad Company, 38; history of the transactions of the company, 38; how the construction of the road was commenced, 39; surveys made before the Hoxie contract, 39; rate at which the contract was let to Hoxie, 39; extension of the Hoxie contract, 39; there was only one letting made to Hoxie, 39; assignment of the Hoxie contract to the Credit Mobilier, 40; Hoxie to be paid in securities in the road, 40; amount received from the Government, with statement of Mr. Bushnell, 40; bonds given to the new stockholders to enlarge the stock of the Credit Mobilier, 40, 41; paying money to the Credit Mobilier secured bonds in the Union Pacific Railroad Company, 41; ten millions of bonds sold at 95, 42; the bonds were sold by the treasurer of the Union Pacific Railroad Company, 42; Black Hills line adopted in the spring of 1867, 43; the cost of building less than at first anticipated, 43; Ames contract let on actual surveys and location by the engineer, 43; reports of engineers, how made, 43; the residue of the construction to the western terminus was by Davis, 44; description of the road over the Rocky Mountains, 45; the road was completed on the 10th of May, 1869, 45; the Pacific Road meets promptly the interest on its bonds, 46; the average price of stock last year was 38, 47; the highest price paid for stock, 45¼ to 45⅞, 47; stock sold as low as $9 per share, 47; land-grant bonds outstanding upon unsold land, 48; cost of road, 48 and 49; mineral products from Salt Lake, 49; annual earnings of the road, 49; what the Government has saved by the road, 50; the engineer in charge representing Mr. Ames was Mr. Reed, 50; the Credit Mobilier had nothing to do with the construction of the road; it was done by the seven trustees, 50; estimates were only submitted to the trustees, 51; reports of the engineers, how and where kept, 51; average gross earnings of the road yearly, 52; effect upon the Union Pacific of the completion of the Northern and Southern Pacific Railroads, 52; amount of bonds issued by the Union Pacific Railroad, 53; contracts, by whom drawn, 53; names of the attorneys employed by the Union Pacific Company, 54; General Butler paid counsel fee, 55; no money paid to elect Harlan or any other Senator, 55; money contributed to aid in elections, 56, 57, 58; stock sold to members of Congress, 58, 59; stock guaranteed to subscribers, 59; when the stock subscribed for by Congressmen was paid, 60, 61; I was present at the meeting of the board of directors of the Union Pacific Railroad on the 9th of March, 1871, 528; I was one of the committee to investigate the account for $126,000, 528; no vouchers were presented, it was based on a statement of my own, 529; statement of Bushnell in relation to the $126,000, 529, 530; I gave Colonel Scott the $19,000 check, 531; I borrowed money from Ordway, 531; the persons to whom the $126,000 was paid, 532, 533; I was not aware that I was on the committee, 534; the $19,000 check was not given to Mr. Wilson, I received it and paid it over to Colonel Scott, 535; the first bridge-bonds issued were in the latter part of the year 1870, 536; the money raised on the bonds was seven or eight hundred thousand dollars, 536; I got the accommodation from the 28th to the 30th of December, 1870, 536; the bridge-bonds were issued under the general authority in the charter, 537; the bonds were secured by a mortgage or a trust deed, 537; the bonds were pledged as collaterals for a loan in New York, 537; two million five hundred thousand dollars in bridge-bonds, two million one hundred and thirty-six thousand dol-

BUSHNELL, CORNELIUS S.—Continued.
lars in land-grant bonds, 537; the amount of the $126,000 paid to General Dodge, 537, 538; Mr. Williams and Mr. Spence had their desks in the same room, 539; I gave Mr. Dodge the check on the day of the transaction, 539; I bought the first issue of the Omaha bridge bonds from the Union Pacific Railroad Company, 540; purchase was made before the passage of the act authorizing the bridge to be mortgaged, 540; the reason why the Union Pacific Railroad gave the bonus of $126,000, 540; I think I ought to have had more, 540; I sent agents abroad to dispose of those bonds, 541; resolution of Bushnell to pay over to the Credit Mobilier the sum of $1,104,000 to make the stock of the Union Pacific Railroad full paid, 541; Mr. Durant was determined that the contract should not be made unless the assent of the stockholders was obtained, 542; General Dix's stock was paid for by Durant, 542; General Dix got $50,000 for his shares, 542; the Credit Mobilier paid General Dix cash for his shares, 542; the stock never sold at par in the market, 542; I thought General Dix's stock was worth 75 or 80, 542; there was a combination of reasons why General Dix was paid par for his stock, 543; I saw a letter in the hands of Mr. Barlow, purporting to have been written by General Dix, 543; we were led to believe from that letter, and from remarks of Mr. Barlow, that it was advisable to buy that stock, 543; I don't like to decry the securities of the Union Pacific Railroad Company, I had always great faith in them, 543; Mr. Cisco was treasurer at the time the first mortgage-bonds were issued, 543; the letter of General Dix to Mr. Barlow was to the effect that Mr. Barlow had authority to settle the matter, 544; I think the letter was in a complaining spirit, 544; it is barely possible that the stock was voted to General Dix by the company, 544; large amounts were paid to trustees for signing the bonds, 545; General Dix was president of the road from 1864 until he went to Europe, in 1868, 545; I charged $10,000 a year for my services, 545; I think General Dix knew of everything that was going on, and he didn't see anything wrong, 546; General Dix remained president after he went to Europe, 546; the only contract the Union Pacific Railroad Company ever had with the Credit Mobilier was under the direction of and executed by General Dix, 546; under that contract there was a dividend of 12 per cent., 546; General Dix was president at the time the understanding about the Ames contract was had, 546; the profits under the Ames contract would have been less than $11,000,000 on an outlay of over $90,000,000, 547; I got for my Union Pacific stock from 30 down to 20, 547; Mr. Oliver Ames was president *pro tem.* during the year 1867, 547; I think it was understood by the New York interests that General Dix was to continue president until he returned from Europe, 548; extract from a report made by J. L. Williams, Government director Union Pacific Railroad, 550; I understand that every year the lobby has levied blackmail upon the Union Pacific Railroad, 551; I have not come to Congress to wash my dirty linen, 552; the $50,000 paid to Fullerton was blackmail, 552; we didn't make as much as we thought, and I do not think as much as we ought, on an expenditure of $90,000,000, 553; on the original subscription, 10 per cent. was paid, but those payments were made by check, 554; the next payment was made by the Credit Mobilier, 554; the amounts and payments paid into the treasury of the Union Pacific Railroad, 554; the Credit Mobilier took an assignment of the Hoxie contract, 554; there may have been a few individual stockholders who paid on small amounts up to 55 per cent., 555; names of counsel who gave opinions, 556.

BARNES, OLIVER W., testimony of:
Secretary of the Credit Mobilier, p. 138; stockholder in Credit Mobilier, 138; dividends paid on stock, 138; received a larger amount of Union Pacific Railroad stock than the entire amount of cash paid in to the Credit Mobilier, 139; reports, how made, what they consisted of, and in whose custody retained, 139; negotiation for the charter of the Credit Mobilier, by whom made, 140; the first installment of 2½ or 5 per cent. paid in, 140; dispute between the two boards, how settled, 141; the Credit Mobilier agreed to procure and give to its stockholders stock of the Union Pacific Railroad at a large discount, 142; there was no written or printed statement, and the business of the trustees was done without publicity, 142; stock issued directly to the person, 143; number of shares of Union Pacific Railroad stock received on forty shares of Credit Mobilier, 143; certificate, 144; fiscal agency meeting, 145; certificate of proceedings at second subscription, made 29th May, 1863, 146; Mr. Durant purchased control of the fiscal agency 3d March, 1864, 147; Credit Mobilier organization kept up in Philadelphia, business done in New York, 148; railway bureau, 148; average amount of stock subscribed to the Pennsylvania fiscal agency, 149; money paid to members of Congress, 149, 150; moneys paid to commissioners, 151; stock placed in hands of Mr. Ames for distribution, 151, 152; Credit Mobilier, its source of revenue, 152; proxies given to the executive committee Credit Mobilier, 153; offices of the two companies held in the same place,

BARNES, OLIVER W.—Continued.

153; resolution to equalize the date of payment to increase stock subscriptions, 154; report of the treasurer to the stockholders of the Credit Mobilier, 154; list of stockholders of Credit Mobilier, May 18, 1866, 155; stock-list of the Credit Mobilier of America, May 17, 1867, 156; list of stockholders of the Credit Mobilier, May 16, 1868, 157; subscription-list to the Credit Mobilier, 159; increase of railway bureau, 160.

BONDS.

United States 6 per cent. 30-year bonds, 615; United States 6 per cent. 30-year bonds on hand, 616; United States 6 per cent. 30-year currency-bonds, 618; first-mortgage bonds, 619; Union Pacific Railroad bonds, 611; land-grant bonds, 624, 626, 627; income-bonds, 611, 627; income-bonds and stock sold by trustees, 634; bonds sold by trustees, 633; bonds of all classes, 639; balance-sheet, Ames contract, 633; balance-sheet, Davis contract, 633.

BUTLER, Hon. B. F., testimony of:

Letter from John B. Alley to General Butler, 683; General Butler's statement in regard to his connection with the Union Pacific Railroad, 683.

C.

CLARK, HORACE F., testimony of:

President of the Union Pacific Railroad, p. 394; elected president 6th of March, 1872; never was connected with the Credit Mobilier, 394; made report to the Secretary of the Interior 12th September, 1872; I only know the cost of the road from book-account, 394; the items that go to make up the capital stock of the company, 394; what the company owns, 395; the floating debt, in round numbers, is $2,000,000, 395; in the floating debt we do not embrace arrearages of interest due to the Government, 395; the floating debt is wholly in notes, 395; gross and net earnings of the road, 396; a detailed statement of the earnings, 396; if the Government withheld the money, and there should be a snow-blockade, I think the result would be disastrous to the road, 397; the weight of the iron per yard is 58 pounds, 397; no fund has been set apart for renewing the iron, 397; it is not customary for railroads to put aside a sinking-fund, 398; I think it will be necessary to expend this year half a million of dollars for relaying the track, 398; the cost for relaying is to be deducted from the gross earnings, 398; I have not had the practical management of any road, 399; have given attention to railroads, 399; unfriendly relations between railroads and the State or Federal Government would affect its prosperity, 400; I think there is no traffic that requires any very large expenditure, except for the maintenance of the track, 401; there have been "accommodation transactions" with the company since my administration, 402; those who have loaned the company money are secured by collaterals, 402; the stock, instead of being estimated at 100 cents to the dollar, was estimated at 30 cents, 403; coal was discovered while the road was in course of construction, 404; rumors about coal, 405; at the time of the Ames contract, I think the belief was quite universal that coal deposits accessible would be found, 405; where the first indications of coal appeared, 406; copy from Durant's report, 406; reports relating to coal, 407, 408; Evans Pass, 408; the general route of the road was understood before the Ames contract, 409; copy from the report of Mr. Dodge, 409; became a stockholder after the 1st of January, 1872, 410; not a cent used to carry elections, 410; an amount equivalent to the capital stock is sold over many times in the course of a year, 410; communications were sent to me, saying that there was danger of bills being introduced that would injure the road, 410; copies of communications and answers, 411, 412, 413, 414, 415; resolution for the issuing of sixteen millions of new bonds, 416; the bonds are being engraved, 416; the sales of the stock of the Union Pacific Railroad Company have been very large during the past year, 417; before electing officers we give notice in advance, keep the books open to a certain day, to permit transfers, then we close the books, 418; Hon. S. Shellabarger propounded to the witness a series of questions relating to the Ames and other contracts, which are fully answered on 418, 419, 420, 421, 422, 423, 424, 425; answers to interrogatories propounded by Hon. G. F. Hoar, 425, 426, 427, 428, 429, 430, 432, 433, 434, 435; salaries paid the presidents of the road, 436; General Dix rendered service, some service, while in France, 436; the sum paid General Dix $50,000, 436; after General Dix left the road he received $50,000, 437, 438; the Wyoming coal contract, 438, 439; there is no such thing as a perfectly finished road, 440; the outlays for repairs will come out of the net earnings, 440, 441; amount of the assets of the company hypothecated, 441, 442; we have no floating debt, except the $2,000,000, 442; I do not think the company could pay the floating

CLARKE, HORACE F.—Continued.
debt and maintain itself, 442; I do not mean to say that the Government had withheld the whole of the land, 442; we have sold about 2,900,000 acres of land, 443; if the Government withholds the money due on transportation, somebody has to fill up the gap; I do not know who will do it, 443; we have resident engineers on the line of the road, 443; I have treated the $2,000,000 note as a nullity, 444; report made by Mr. Sherman, 444; I do not see the relation of the note to the resolution, 444, 445; I should think 48-pound iron would be light, 446; the Wyoming Coal Company complains of bad treatment, 447; I say that the records of the company show that the road cost $114,000,000, 448; I do not know of any unfriendly action on the part of Congress; I spoke of departmental action, 448; Mr. Wendell, Government commissioner, received $25,000, 449; I think the Government was prompt and liberal in the issuing of bonds, 449; by raids upon the stock I meant, for instance, the withholding of money by the Treasury Department, 449; the next raid is the one that re-opens again this question of withholding the money, 450; the Omaha bridge, 451; the earnings of the bridge, 451; Mr. Cowlan, who addressed to me all the communications which are before the committee, was a stranger to me, 452, 453; it is impossible to ascertain the number of shares of a speculative stock, 454; I bought a large amount of stock at prices varying from 30 to 35, 454; I made oath to the report that was filed with the Secretary of the Interior, 455; the Government treated us with great liberality, 455; we have received bonds for the entire road, 455; we have not paid to the Government the 5 per cent., 456; the outstanding debt under the land-mortgage bonds in November was $8,948,000. The lands of the company remaining unsold amount to 11,430,948 $\frac{73}{100}$ acres, 456; we have got on hand notes for land sold, not counting interest, to the amount of $1,377,233.27, 456; we have sold 649,000 acres to actual settlers, at an average per acre of $4.20, 457.

COX, CHRISTOPHER C., testimony of:
I was Commissioner of Pensions from August, 1868, to May or June, 1869, 574; I never owned or had any interest in any of the bonds of the Union Pacific Railroad, 574; I never had any income-bonds of the Union Pacific Railroad, 574; I owned, in 1870, for a few days, a few of what are called, I think, the third-mortgage or third-income bonds of the Eastern Division of the Union Pacific Railroad Company, the Kansas Road, 574; Hoover agreed to sell the bonds, 575; the amount of bonds proposed to be sold I think about $10,000, 575; I do not think that the profit amounted to over one or two hundred, 576; I never stated to Hoover that the bonds had been procured for aiding in the passage of legislation, 577; I bought the bonds entirely as a speculation, 577; Hoover's reputation is the worst possible. I do not think that there are three persons in the community who would indorse his character for anything that is proper and right, 578; I have the charity to believe Hoover insane, 578.

COST of the Union Pacific Railroad to the Union Pacific Railroad Company, 636; cost of the Union Pacific Railroad, 637; cost of the Hoxie contract, 640; cost of whole road, 644.

CONTRACTS.
Hoxie contract, 180; Williams contract, 180; Ames contract, 181; Davis contract, 181; Homan, jr., contract, 590; Godfrey & Wardell contract, 591; capital Credit Mobilier, 15, 377.

CRANE, HENRY C., testimony of:
Officer in the Credit Mobilier, p. 30; stockholder in the Credit Mobilier, 31; office of the Credit Mobilier kept at New York, 31; names of the officers of the Credit Mobilier at the time of the Ames contract, 31; dividends made to the Credit Mobilier, 31; number of dividends declared, 32; at the time of making the Ames contract was secretary of the Credit Mobilier, 32; Union Pacific Railroad Company in payment of the Ames contract paid cash, 33; trustees received payment from the Union Pacific Railroad in cash, 33; number of dividends and amount per cent., 34; capital stock of Credit Mobilier, 34; value of bonds and stocks, 35; increase of Credit Mobilier stock, 35; additional stock issued to Mr. Neilson, 35; dividend declared by the Credit Mobilier before the capital stock was increased, 36; dividends on what amount of stock declared, with amount per cent, 36, 37, and 38; there had been payments made on account of the contract of Boomer, charged to Gesner, 513; amount paid to Boomer $1,895,934.47, 513; the total cost of the Ames contract, 629; cost of the Davis contract, 629; whole cost to the company under the Ames and Davis contracts $42,914,774.61, 629; the first-mortgage bond-account is not a part of the construction, 629; the dividends made under the Ames contract amount to $20,437,500, 530; resolution of Bushnell to make an allotment of

CRANE, HENRY C.—Continued.

30 per cent., 630; extracts from the books of the company, 631; there were $5,811,000 income-bonds sold by the company to the trustees, at 60 cents, 631; balance-sheet, Ames contract, 632; income-bonds and stock sold by trustees, 636.

D.

DEY, PETER A., testimony of:

I was employed in September, 1862, to make a reconnaissance from the Missouri River to Salt Lake, and tell what I thought of the chances of building a road, 238, 239; I was employed about the 1st of September, 1863, to make surveys, by Durant, 239; the Evans Pass was discovered in the fall of 1865; the grading is very light until you get to the Black Hills, 239; no estimate made prior to my connection with the road, 240; my idea is that the estimates were large, 240; Mr. John E. Henry instructed me to make a large estimate, 240; said he got his instructions from Durant, 240; I think $30,000 per mile for construction, including equipments, would cover all expenses on the road between Omaha and the one hundreth meridian, 241; estimate for the second hundred miles, 241; made the second estimate on the first one hundred miles September or October, 1864; I resigned as chief engineer Union Pacific Railroad 30th December, 1864, 668; I examined the whole line from Salt Lake Valley to Omaha, 668; my estimate was that the road could be built in cash for $40,000,000, 669; my resignation was tendered because I objected to being made an instrument to carry out the provisions of the Hoxie contract, 669; copy of Mr. Dey's letter of resignation, 669; resignation sent to General Dix, with copy of private letter from Dey to General Dix, 669; copy of reply sent by General Dix to Dey, 670, 671; my objections to the Hoxie contract were, that it was letting the work for $2,000,000 more than it ought to have been let, 671; my experience in railroad-building had been that in the early stages of a road it should not be burdened with debt, 671; from the terminus of the one hundred miles to the one hundredth meridian my figures were about $27,000 per mile, 672; I speak of cash when I speak of values, 673; I put on the prices that were ruling at that day, 674; the distance from the one hundredth meridian to the Black Hills about 270 miles, 674; no tunneling was necessary, 675; I never let a piece of work except on estimates, 675; instructions to increase estimate came through Durant, 676.

DICKEY, Hon. OLIVER J.:

Statement of Mr. Dickey, in defense of Hon. Thaddeus Stevens, 676.

DILLON, SIDNEY, testimony of:

Land owned by the Credit Mobilier at Council Bluffs, Iowa, 497; there has been a good deal of discussion about the initial point, 497; property owned by the Credit Mobilier at Council Bluffs, Iowa, Columbus, Nebraska, and a claim against the Union Pacific Railroad for $2,000,000, is about all the present property of the Credit Mobilier, 497; value of the lands, 497; a claim against the Union Pacific Railroad, as long as their note has never gone to protest, must be considered good, 498; in round numbers, I think the property of the Credit Mobilier is $2,200,000, 498; we have got a note of hand, but they claim that it is not a valid note, 498; if the depot was established at Council Bluffs, the land would be worth $400,000, 499; the Credit Mobilier holds less than 2,000 shares of the Union Pacific Railroad stock, 499; president of the Credit Mobilier since May, 1867, 499; I knew nothing about the transactions going on around Washington, or anywhere else, 500; I remember that J. M. S. Williams made a proposition to build the road, 500; the trustees got the stock and bonds which they divided up from the company, 502; there might have been an estimate made on the part which had been done by the Hoxie contract, 502; the highest grade on the road is ninety feet, 503; the contract was taken by Ames as an individual, 503; I am one of the seven trustees, 504; the checks were used to pay subscriptions of stock, 504; the bonds were procured in the same way, 504; the accounts between the Union Pacific Railroad and the trustees is about even, 505; I think I allowed Davis three or five thousand dollars for the assignment of his contract, 505; I don't think it would be a fraud if there was a small amount of work remaining to be done, 505; by getting the bonds a month or so sooner it would give us increased strength to build the next thirty or forty miles, 506; statement made by the vice-president, Durant, 507; I think the Evans Pass was adopted as the route at the date of the Oakes Ames contract, 508; it was impracticable to let the work in small quantities, 509; I thought we were doing justice to the Government, and that they had no right to complain, 510; T. C. Durant is a fast man, 510; I would not take a contract unless I thought I could make 20 per cent.

DIRECTORS of the Union Pacific Railroad, from 1864 to 1872, 596; dividends, when made, and amount, 630; demand-note, 595; detailed statement of bills payable, 593.

DIVIDENDS.

Dividend payable January, 1868, 725; dividend payable January 3, 1868, 728; dividend payable June, 1868, 731; dividend payable July, 1868, 733.

DUFF, JOHN, testimony of:

Connected with the Union Pacific Railroad since 1866, as director, 478; stockholder since 1866, 478; I am vice-president of the company, 478; I subscribed for stock in the Credit Mobilier at the time it was organized, 478; I disposed of my Credit Mobilier stock three or four years ago, 478; there were two dividends made before I disposed of my stock, 478; I think I received bonds as a bonus at the time of the increase of the capital stock of the Credit Mobilier, 478; I know nothing about the $126,000 but what I have heard since this investigation commenced, 479; I was on the committee, 479; I came to Washington to see what Congress was going to do in reference to this order of Mr. Boutwell, 479; I declined to act on the committee because I knew nothing about it, 479; I did not know of legal expenses at Washington, 480; reasons why Mr. Duff refused to serve on the committee appointed to investigate the account of $126,000, 480, 481; I know nothing about the $126,000, except that it was paid, 481; I was in Washington a day or two at the time of the passage of the legislation of 1864, 481; I came to Washington at the request of Mr. Ames, 481; my purpose in coming to Washington was to know what Congress was doing, 481; General Dodge told me that the Government transportation would be paid as usual, 482; the duties of the vice-president are not defined, except to act in the absence of the president, 482; it has been the practice of a good many directors to refuse to act on committees, 483; I understood that the committee was to act on legal expenses, 483; I am now vice-president of the road, 484; a large amount of the bonds are held abroad, 484; I know nothing about the suspense account except the reports made by the different committees, 485; resolution offered by Durant to loan the funds of the trustees, 486; resolution offered by Durant to authorize the treasurer to subscribe $1,500,000 to the stock of the Union Pacific Railroad, 487; resolution of Bates that, in accordance with the provisions of the trust, a dividend of 60 per cent. in cash, and 40 per cent. in stock of the Union Pacific Railroad, be paid to the holders of the stock of the Credit Mobilier, 487; resolution of Bushnell that the treasurer make demand on the Credit Mobilier for an advance of $2,000,000, 487; resolution of Bushnell offered that the treasurer be authorized and directed to subscribe for $2,500,000 of stock of the Union Pacific Railroad, 487; resolution of Bushnell that the treasurer be authorized to purchase $2,500,000 first-mortgage bonds Union Pacific Railroad, 487; resolution of Bushnell that an allotment of 20 per cent. in cash be made to the parties interested in the trust, 487; the check was taken for the work done, and the check was paid back for the stock, 488; at the time of letting the Ames contract I was a director in the Union Pacific Railroad, 488; I was opposed to making the Ames contract, 488; parties who were not good railroad men, 489; it was stated at the time of the Ames contract that there were about 138 miles completed, 489; I never knew the details of the Boomer contract, 490; the reason why the 138 miles was included in the Ames contract, 491; I am an experienced railroad man, 492; actual cost of the Ames contract, 494; I think Davis, for the assignment of his contract, made a demand for $2,000, 495; the initial point lies between two and three miles above the city of Omaha, 496.

DURANT, THOMAS C., testimony of:

Vice-president and director Union Pacific Railroad, 62; surveys commenced in 1863, 62; last survey made in 1869, 62; last location made in 1868, 62; estimates made on several parts of the road as they were located, 62; cannot tell what disposition was made of the estimates, 63; first contract made for the construction of the road, 63; amount of money expended by the company for construction and equipment, 63; the Union Pacific Railroad Company ceased to construct the road, 63; Hoxie's contract, 63, 64; transfer of the Hoxie contract, 64; the Credit Mobilier had the right to take charge and construct the road, 64; the Credit Mobilier did take charge of the work, 64; in closing up the Hoxie contract the Credit Mobilier made the settlement with the Union Pacific Railroad, 64; excess paid by the Union Pacific Railroad, 65; the work on the Hoxie contract completed on the 5th of October, 1866; the whole length was 247 $\frac{85}{100}$ miles, 65; officers at time of making the Hoxie contract, 65; board of managers, 65; officers of both companies, 65; directors of the Union Pacific Railroad directors of the Credit Mobilier, 66; the contract for building the road, after the Hoxie contract—with whom made, 66; the price per mile under the Boomer contract, 66; Boomer contract made on the 10th of Novem-

DURANT, THOMAS C.—Continued.

ber, 1866, 66; extension of the Hoxie contract, 67; Hoxie contract extended over the Boomer contract, 67; Boomer contract never approved by the board, 67; resolution extending the Hoxie contract, 67; cost of the road over which the Hoxie contract was extended, 67; protest entered, also injunction obtained by Durant, 68; copy of protest, 68; relative positions of the two corporations had changed at that time, 68; resolution offered by Mr. Bushnell rescinding the extension of the Hoxie contract, 68; engineer under the Boomer contract, 69; resident engineer's reports not indorsed by chief engineer, 69; reports afterward approved, 69; rate to be paid by the Union Pacific Railroad Company under the Hoxie contract, 69; actual cost of the fifty-eight miles, 70; Williams contract, with copy of proposition, 70; resolution accepting the Williams proposition, 70; copy of Durant's protest, 70, 71; the protest stated facts, 71; Williams's assignment of contract to the Credit Mobilier, 71; don't recollect whether advertisement for bids to the public at large was given, 71; proxies were given by stockholders of the Credit Mobilier, who were stockholders in the Union Pacific Railroad, 72; per cent. of stock in the Union Pacific Railroad owned by stockholders in the Credit Mobilier, 72; Credit Mobilier assets, 72; the reason why a board of trustees was formed, 72, 73; the trustees held the profits in trust under the Oakes Ames contract for all the stockholders of the Union Pacific Railroad, 73; dividends, how divided, 73; although no proxy was given, the stockholders received profits, 73, 74; at the time the Oakes Ames contract was made the Credit Mobilier did not own the stock, 74; securities could be sold after the Ames contract was made, 75; every member of the Credit Mobilier was liable for the performance of the contract, 75; whenever the trustees wished to make a purchase they made the Union Pacific Railroad Company an offer for a certain amount of securities, fixing the price, 75, 76; the company preferred to sell their own securities, 76; the stock was always at par, 76; bonds sold to the trustees, 76; bonds only obtained by purchase, 76; the trustees had acquired entire control of the railroad, 77; power to vote on six-tenths of the stock, 77; amount of money distributed to the stockholders of the Credit Mobilier in cash was $3,375,000 on the Ames contract, 77; amount of bonds distributed, 78; amount of Union Pacific Railroad stock distributed in the aggregate, 78; the Davis contract was assigned to the trustees, 78; amount divided which was derived from the Ames contract, 78; nothing but stock, bonds, and money divided, 78; capital stock Credit Mobilier increased, 78; increased stock, how disposed of, 78, 79; stock held by Mrs. Anna Dodge, 79, 80; Davis contract, date when made and assigned, 81; Durant and Brooks come to Washington, 81; Simeon Johnson wanted payment for services, 82; Mr. Brooks agreed to take Credit Mobilier stock, 82, 83, 84; value of Credit Mobilier stock January 5, 1867, and its advance, 84; first survey in the Rocky Mountains made in the fall of 1863, 85; surveys made from 1863 to 1867, 85; became acquainted with the general character of the country in 1863 or 1864, 85; preliminary surveys before the Oakes Ames contract was made, 85; the reports contained estimates of quantities, 86; duties of vice-president, 86; there was a committee appointed to receive propositions, 86; every stockholder of the original two and a half millions paid up in full on his stock, or the Credit Mobilier did, 87; whole amount of stock issued by the Union Pacific Railroad, 87; amount subscribed for stock before 15th August, 1867, 87; only five or six millions of stock taken at the time of the Oakes Ames contract, 87; no agreement to take stock, 87; the contract with Oakes Ames guaranteed to the company the funds to complete the road, 87; stock to be paid only in money, 88; the Credit Mobilier stock advanced in price as soon as it was known that it had an interest in the Ames contract, 88; the details of the Ames contract left to the executive committee, 88; value of the Credit Mobilier stock, August 15, and October 1, about par or 95, 88; no understanding between Ames and the Union Pacific Railroad about others sharing in the profits, 88; how long acquainted with Ames, 88; opinions as to Mr. Ames, 89; Mr. Ames would not have taken the contract without approximate estimate, 89; the Ames contract, estimates, &c., 90; Mr. Ames may have had copies of the estimates, 91; duties of the chief engineer, 91; duties of the Government directors, 91; after Mr. Ames transferred his contract, the Union Pacific Railroad gave him a general release, 91; dividend of 12 per cent., 91; the Oakes Ames contract was made by Oakes Ames, on one side, and his brother Oliver on behalf of the company, 92; Oliver Ames was president of the company, 92; Oliver business partner of Oakes Ames, 92; the provision of the Ames contract, 92; stock had to be issued over and above the first-mortgage bonds and Government, 92; route adopted in 1863, 92; the reason for adopting the new route, 92, 93; Durant furnished money to aid Mr. Harlan, 93-96; suit to recover stock from Oakes Ames, 96; stock assigned to Oakes Ames to enable him to fulfill his contracts, 300 shares, 97; value of the stock held by Oakes Ames, 98; contractors are not in the habit of making reports to the public, 98; Oliver Ames has custody of the books which show the profits that were divided among the Credit Mobilier

DURANT, THOMAS C.—Continued.
stockholders, 98; testimony relating thereto, 99; Mr. Jencks employed as an attorney, 99; General Butler employed as an attorney, 99; statement of the $10,000 paid to aid in Harlan's election, 100–102; suspense-account, 103; the 168,000 charged to the suspense-account, 103; money, on the general suspense-account were paid by the treasurer, 104; J. B. Stewart got one or two hundred thousand dollars, and may be more, 105; Alexander Hay got seventy-five or one hundred or one hundred and fifty thousand dollars, 105; Stewart and Hay were in Washington; I don't know what they were doing, 105–107; resolution appointing a committee to investigate the suspense-account, 108; checks sent to Harlan not embraced in the suspense account, 109; Harlan checks, 110; examination as to the suspense account, 111; vouchers given, 111; Stewart and Hay, 112; the point on the road at which the Ames contract commenced, 113; on the day the Ames contract was authorized there was 188 miles of the road constructed, 113; the Ames contract was assigned to the Credit Mobilier on the 16th October, 1867, 113; number of miles completed west of the hundredth meridian, 114; reason why the completed road was embraced in the Ames contract, 114; examination on same subject, continued, 115, 116; dividend declared on the 12th of December, 1867, 116; the capital stock of the Credit Mobilier, 116; the aggregate of the dividends declared on that occasion, 116; it was the understanding that the Davis contract was to be transferred to the board of trustees, 117; by the transfer of the Davis contract the effect was to extend the Ames contract over the uncompleted portion of the work, 117; resolution to inquire by what authority the check for $50,000 was paid, also, $11,000,000, and $3,000, 117; copy of protest filed by Mr. Durant, 118; the trustees had drawn money on the 667 before the Davis contract was made, 118; extension of the Ames contract, 118, 119; copy of a letter written by Oakes Ames addressed to H. S. McComb, 120; conditions of the Ames contract, 120; I think $65,000,000 would have constructed and equipped the road, 121; Government expenditures, 121; statement of earnings for eleven months in 1872, 121; value of the stock of the road, 122; Wyoming Coal Company, 122; first contract in regard to the Wyoming Coal Company, made in 1868, 122, 123; pay of Government directors, 124; Sioux City Construction Company, 124, 125; railway bureau, 125; executive committee created the railway bureau, 126; suspense-account items, 126; money paid to Stewart, 127, 128, 129; after 1866 or 1867 there were no numbers to the bonds, 129; character of the land-grant bonds, 129; the land-grant bonds were sold to anybody, 130; land-grant bonds issued in 1868, 130; land not of much value, 131; of what the railway bureau consisted, 131; the resolution relative to the land-grant bonds was adopted, May 12, 1864, 131; amount paid for the Fiscal Agency charter, 131, 132; the first time the two companies had anything to do with each other, 132; Ames's proposition and action of the board, 133; Credit Mobilier paid 30 per cent. on subscription, 133; the two corporations confounded, 134; statement of Mr. Barnes inaccurate, 134; copy of communication addressed by Mr. Durant to the board of directors of the Union Pacific Railroad Company, 135; copy of the proposition of James W. Davis, to build and equip, 135; copy of agreement made with Davis, 136; copy of cost under Hoxie contract, 136; dividends and allotments as shown by the books, 136; total dividends and allotments, 136; statement of suspense account, 137; report of committee, 137; I never knew what became of the bonds after they went into Stewart's hands, 514; Stewart was in my employ, 514; money and bonds paid to J. B. Stewart, 516, 517, 518, 519; never had a transaction with Thaddeus Stevens, 522; copy of letter addressed by Durant to Ames, on the subject of the payment of the $25,000 to Wendell, 523; I did not authorize Snyder to make the payment to Wendell, 523; copy of letter addressed by Durant to the President of the United States in relation to the Government commissioners, 524; copy of a letter from Snyder to Durant in relation to the payment made to Wendell, 525.

G.

GILMAN, THOMAS P., testimony of:
I think General G. M. Dodge deposited the check for $24,500, 649.

H.

HAM, BENJAMIN F., testimony of:
Assistant secretary and treasurer, and also a director of the Credit Mobilier, 7; copy of the act to incorporate the Pennsylvania Fiscal Agency, 7; letters-patent signed by the governor of Pennsylvania, 8; an act to change the name of the Pennsylvania Fiscal Agency, 9; second amendment of charter, 9; the first meeting of the Credit Mobilier was on the 29th of May, 1863; names of the original stockholders

HAM, BENJAMIN F.—Continued.

Credit Mobilier, 10; books of the Credit Mobilier lost, 10; stock subscribed for in the Credit Mobilier, 11; my son holds three shares Credit Mobilier stock, 11; amount paid on account of the three shares of stock, 11; dividends received, 11; amount of Union Pacific Railroad stock received on three shares, 12; value of shares of Union Pacific Railroad stock received, 12; first directors of the Credit Mobilier, 13; list of officers of the Credit Mobilier, 13, 14; the Credit Mobilier had charge of building the road to the hundredth meridian, 14; the Credit Mobilier paid on account of construction under the Hoxie contract $202,770, 14; the Credit Mobilier lost its money, 14; the Credit Mobilier lent money to the Union Pacific Railroad, simply on book account, 14; only one dividend declared by the Credit Mobilier, 15; Credit Mobilier stock increased, 15; value of the Credit Mobilier stock in 1867, 16; stock was held at all sorts of fictitious prices, 16; Credit Mobilier interest in the Ames contract, 16; at one time auditor of the Union Pacific Railroad Company, 16; was an officer of both corporations, 17; where the lost papers were contained, 17; lost books, 18; cause of their disappearance, 18; dates when stock in the Credit Mobilier was taken, with names of subscribers, 19; the profits on the Ames contracts were paid directly to stockholders, 20; only $5 or $10 per share paid on the stock, 20; stock, how issued, 21; at the time of making the Oakes Ames contract, the Credit Mobilier substantially owned all the stock of the Union Pacific Railroad, 21; of what the original stock consisted, 21; Union Pacific Railroad stock, $36,000,000; auditor of the Union Pacific Railroad, 371; the Hoxie contract cost $50,000 per mile, 371; the cost of the Hoxie contract, $14,290,835.90, 371; the $2,000,000 note referred to, 371; copies from the company's books showing items for cost of construction under the Hoxie contracts, 372, 373; what it cost the Credit Mobilier to build the road up to the one hundredth meridian, 373; copy of a letter written by Ham to Williams, 374; the cost of the Oakes Ames contract has never been settled, 374; the Credit Mobilier paid to the Union Pacific Railroad $1,111,670 and $4,000, 374; they paid it over in checks, 375; Credit Mobilier held 15,886 shares of 30 per cent. stock, 375; the $1,104,000 was paid over, by the trustees, to the Credit Mobilier, 375; the contractor subscribed for 22,960 shares of stock, 375; a check is considered cash, 375; the charter prohibited anything being taken for stock except cash, 375, 376; the amount paid on the Ames contract, 376; payments made on the Ames contract covered the whole extent of 667 miles, 377; Davis contract, 377; the amount of profit on the Hoxie contract, $6,272,232.91, 377; actual capital stock of the Credit Mobilier, 1st of January, 1867, 377; how the profits were disposed of, 377-382; the Credit Mobilier paid the Union Pacific Railroad 85 for the bonds, 383, 384; other stock divided in the regular dividends, 384; dividend made, 385; present assets of the Credit Mobilier, 385; whole amount of stock issued by the Union Pacific Railroad, $36,000,000, 386; how Rice paid for stock, 387; two dividends of 6 per cent, 15; resolution of Mr. Bushnell, that the treasurer pay over to the Credit Mobilier, in accordance with the provisions of the contract of Oakes Ames with the Union Pacific Railroad, of August 16, 1867, the sum of $1,104,000, or a sufficient sum to enable them to make the stock of the Union Pacific Railroad Company held by them full paid, 374; the Government bonds were sold at par, 636; the Ames contractors did not receive bonds, 636; statement of the cost of the Union Pacific Railroad to the company, 636; statement of the actual cost of the Union Pacific Railroad, 637; copy of a circular, 637; cost of the Hoxie contract, $12,974,416.24, 640; the above figures embrace the $1,994,769, 640; cost of the Hoxie contract to the contractors, 640; the Credit Mobilier advanced on the Ames contract, $576,697.01, 641; the profits made on the Ames and Davis contracts, how divided, 643; the aggregate profits made on the Ames and Davis contracts, 644; whole cost of the road, 644; well, it is the same thing, buying them or taking them upon a contract, 647.

HAY, ALEXANDER, testimony of:

I have retired from business, 457; I was in Washington pending the legislation of 1864, 457; received an order from Joseph B. Stewart on Durant to deliver me 230 construction bonds, which I received, 458; other bonds received, 458; I deposited the bonds with the president of the Merchants' National Bank of this city, to the credit of J. B. Stewart, 459; $18,000 was placed to my credit, 459; I am very intimate with J. B. Stewart, 460; I had almost daily transactions with Stewart, 461; I had no special business here in 1864, 461; I took an interest in endeavoring to get a bill reported to Congress, 461; Stewart paid me handsomely for what I did do, 462; he gave me $23,000, 462; I think there is a receipt for the 250 bonds in my trunk, 463; I was not a lawyer, 465.

HOOVER, T. Z., testimony of:
The only officer of the Government who received Union Pacific Railroad bonds, that I know, was C. C. Cox, 569; in the latter part of 1868, or 1869, Mr. Smith came to me, and wanted me to negotiate $500 of Union Pacific Railroad income-bonds, 569; Mr. Smith stated that Dr. Cox, who was then Commissioner of Pensions, was part owner, 569; the bonds were put into my hands by C. C. Cox and Mr. Smith—they were together, 569; I think I must have received from Cox and Smith in the neighborhood of $35,000 worth of bonds, 569; I think that all the money that proceeded from my hands into the hands of Mr. Cox was in the neighborhood of four or five thousand dollars, 570; I asked either Cox or Smith how it was that they had so many income-bonds, and he said, "It is through influence that we got possession of those bonds," 570; he gave me to understand that it was for getting legislation through Congress that he got those bonds, 570; Cox said we all float in the same boat, 570; Cox stated to me that Mr. Smith and he had joint ownership, 570; I was shown a receipt at a certain time purporting to be signed by a member of Congress, 571; Smith said it was Kelley, of Pennsylvania, 571; I was under complaint in this city, 572; I think they called it in that indictment obtaining money under false pretenses, 572.

K.

KELLEY, Hon. W. D., testimony of:
I am happy to say, as I do under the solemnity of my oath, that I have never received, in way of compliment, or testimonial, or compensation, previous or subsequent thereto, directly or indirectly, any consideration for the course of legislation I have followed, either in speech or vote, 580; statement of Mr. Kelley, 580, 581.

L.

LE BARNES, JOHN W., testimony of:
I am acting deputy Sergeant-at-Arms, 681; I had a summons for John P. Randolph, and proceeded to New York, but after the most diligent search could not find any person answering to that name, except an old colored man, 681.

LEGAL expense-account, 189–191.

LIABILITY of the Union Pacific Railroad to certain persons, 595.

M.

MORGAN, EDWARD, testimony of:
Drafts were drawn for account of C. S. Bushnell against land-grant bonds of the Union Pacific Railroad Company at 70 cents to the dollar, and accrued interest; the proceeds of the drafts went to Mr. Bushnell's account on our books, and he got the benefit of the same, 648.

MISSING books and papers, 18.

N.

NOTES due in March, 1873, 594; notes due in April, 1873, 594; notes due in May, 1873, 594; notes due in July, 1873, 595; notes due in February, 1873, 595; notes due in December, 1872, 595.

P.

POPPLETON, A. J., testimony of:
I have been the attorney of the Union Pacific Railroad since about the 1st of December, 1863, 691; I am familiar with the management of the bridge, and the transportation over it between Omaha and Council Bluffs, 691; when the bridge was first opened a contract was made with one George W. Homans, for the transfer of freight and passengers over the bridge, 691; passengers going west change at the eastern end of the bridge, 692; general character of the country stated, 693.

R.

ROLLINS, E. H., testimony of:
Treasurer of the Union Pacific Railroad, 180; secretary in May, 1869; first contract made with Hoxie, 180; references with reference to entries on books of the company, 180, 181; the amount paid under the Hoxie contract and charged to it was

ROLLINS, E. H.—Continued.
$14,550,278.94, 182; payment of $2,000,000, 182; consideration for which the $2,000,000 note was given, 182; additional charges on the Hoxie contract, 183; testimony relating to the $2,000,000 note, 183; an order to issue $16,000,000 additional bonds, 183; copy of preamble and resolutions, 184, 185; the $2,000,000 note and additional bond issue, 185; collateral security for the redemption of the bonds, 185; amount of bonds lost, 185; cost of the construction of the road covered by the Ames contract, 186; item charged to the Ames contract, 186; entry copied from the journal, 186; cost of the Davis contract, 187; copied from the books showing the cost of construction under the various contracts—Ames contract, Davis contract, and Hoxie contract, 187, 188; total cost of road to the Union Pacific Railroad Company, 188; amount of first-mortgage bonds issued by the Union Pacific Railroad Company, 188; land-grant bonds issued, 188; the Union Pacific Railroad Company does not owe the Credit Mobilier, 188; the Credit Mobilier indebted to the Union Pacific Railroad, 188, 189; present board of directors Union Pacific Railroad, 189; [illegible] company owes money to its directors, 189; special legal expenses, [illegible]olution appointing a committee to audit legal expenses, 189, 190; testimo[illegible] relating to legal expenses, including item of $126,000, 190, 191, 192, 193; the Union Pacific Railroad Company contract with the Pullman Car Company, 193, 194; the Harlan $10,000 legal-expense item of $126,000, and money to influence elections, 195; property belonging to the Union Pacific Railroad in the possession of the treasurer, 196; statement of assets, 197; loans in which the Union Pacific Railroad has an interest, 198, 199; net earnings for the last year $4,000,000, 199; the Government 5 per cent. comes in when the road is completed, 200; claim against the Government for transportation, 200; gross and net earnings, 200, 201; statement of the indebtedness of the Union Pacific Railroad, 210; statement of notes payable December 10, 1872, 210; notes due in January, 211; notes due in February, 211; notes due in March, 212; notes due in April, 212; demand notes, 212; statement of all the current indebtedness of the company, 212; Omaha bridge bonds, 224; the earnings on the bridge are ample to pay the interest on the bonds, 213; in favor of the Government recognizing the road as completed, 213; amount required to complete the road, 214; land-grant bonds, 214; the average price per acre for which lands were sold, 1.25\frac{1}{100}$, 214; the road will need for the present the same assistance it had in the past, 214, 215; estimated time the rails will last, from seven to ten years, 215; permanent counsel in the employ of the road, and salaries paid, 216; examined with reference to the $126,000, 216, 217; special attorneys employed, 218; corrected statement of Mr. Rollins, 219; the indenture under which the Omaha bridge bonds were issued bears date 1st day of November, A. D. 1870, 582; resolution in regard to the disposition made of the bridge bonds, 582; Mr. Bushnell received a part of the bonds, 583; after the act of Congress of February 24, 1871, a new bond was issued, bearing 8 per cent. interest, and the old issue was withdrawn, 583; the new bonds were sold to C. S. Bushnell, 583; the bonds were sold at about 80; the Union Pacific Company's books show that the company received $2,060,000 for them, 583; Bushnell arranged the loans in New York for the company, 583; 1,275 bonds were delivered to the trustees of the Omaha bridge bond, 583; they were afterwards sent to London, and there sold, 583; A. E. T. Sickles was general superintendent on the 21st of March, 1872, 584; the charges on the Omaha bridge is 50 cents for each passenger, and $10 a car for freight, 584; the same rates are charged for the transportation of Government freight, 584; there is a separate account kept at Omaha of the moneys received from the bridge, 584; the income bonds were issued pursuant to a resolution of the executive committee, adopted September 23, 1869, 584; copy of the resolution, 584; disposition made of the income bonds, 585; copy of the checks referred to in the testimony of Mr. Spence, 585; I indorsed all the checks as secretary, 586; amount paid Rollins and charged to legal expense account, 586; the services I rendered were in adjustment of accounts of the company and the Departments at Washington, and also with reference to matters pending before Congress, 587; the company is receiving coal from the Wyoming Coal Company, since 1869, 587; the company pays 7 per cent. per annum and commission, 588; amount due John Duff and Oliver Ames, 589; executive committee resolution in relation to stocks, bonds, and securities, 589; amount of collaterals placed in the hands of Mr. Clark, 589; all the securities of the company are held as collateral, 589; copy of telegram sent by Sickles to Rolling, 590; corrected statement of the bonds of the company, 590; copy of the agreement between Union Pacific Railroad Company and George W. Homans, jr., of Omaha, 590; copy of contract Union Pacific Railroad Company with C. O. Godfrey and Thomas Wardell, 591; detailed statement of bills payable, January 31, 1873, 593; notes due in April, 1873, 594; notes due in May, 1873, 594; momorandum showing the liability of the company to the persons named, 595; list of directors from 1869 to 1872, 596, 597, 598, 599; copy of list of stockholders used at the annual election, 1863, 599, 600, 601; list of

ROLLINS, E. H.—Continued.

604; list of subscribers to the capital stock of the Union Pacific Railroad, 604; stockholders Union Pacific Railroad, and number of shares standing in their respective names at the closing of transfer-books, February 24, 1872, 601, 602, 603, list of stockholders of the Union Pacific Railroad at the close of business, February 26, 1870, 605; list of subscribers to the capital stock Union Pacific Railroad, 607; list of stockholders Union Pacific Railroad February 25, 1871, 607; list of subscribers to the capital stock Union Pacific Railroad, shares $1,000 each, 611; disposition made of income-bonds, 611; statement of income-bonds exchanged for certificates for first-mortgage bonds, 611; detailed statement of the persons who received the 8,263 land-grant bonds sold under resolution of April 9, 1869, 613; United States 6 per cent. 30-year bonds; abstract from ledger, 615; abstract Ledger C, 616; abstract from Ledger A, 617; United States 6 per cent. 30-year currency bonds on hand; abstract Ledger B, 618; first-mortgage bonds, abstract Ledger A, 619, 620, 621; first-mortgage bonds; abstract Ledger B, 622, 623; first-mortgage bonds, abstract Ledger C, 624; land-grant bonds, 626; income-bonds, 627; action taken by the board in relation to the disposition of the land-grant bonds, 638; amount realized by the company from each class of bonds issued and received, 639.

RICE, JOHN A., testimony of:

Stock issued in the name of Rice, 294; stock issued to B. E. Bates as treasurer of the trustees under the Ames and Davis contracts, 294; paid the money to the treasurer for the shares, 294; assistant treasurer of the trustees, 294; did not leave any money with the treasurer, 294; name signed for 120,000 shares of stock, amounting to $12,000,000, 294.

S.

SCOTT, THOMAS A., testimony of:

Was president of the Union Pacific Railroad from March, 1871, until March, 1872, 649; I was at the meeting on the 9th of March; the committee heard Mr. Bushnell's claims, as stated by myself, and granted him the amount of $126,000, 650; Bushnell gave me a check for $19,000; this check I deposited on my return to Philadelphia, at the Girard bank, 651.

SHAW, W. BIGLER, testimony of:

Newspaper correspondent, 220; was aware of the steps taken by the Secretary of the Treasury, 220; ascertained the fact from the Secretary himself, 220; conversation between Boutwell and Shaw, 221; before the stock fell I unloaded, 221; I gave two hundred dollars to R. J. Hinton, 223; am always more or less dabbling in stocks, 223; brokers carried stock for me, 224; I do not think it is a part of the business of this committee to inquire into my private transactions, 224. I think Mr. Clews carried stock for me, 225.

SHERMAN, CHARLES T., testimony of:

I was one of the Government directors, 651; the route mentioned in the Williams report was the one adopted, 651; the Black Hills route was fully known to the directors at the time of letting the Ames contract, 651; we condemned the Hoxie contract at the first meeting of the board in New York, 652; but afterward, when we discovered that the executive committee had extended the Hoxie contract 150 miles farther, without submitting it to the board, and without communicating or reporting it to the board for nearly a year afterward, we did feel disposed to protest and take some action on the subject, but why we did not I cannot give the reasons now; we felt outraged at the time, 652; the ground of objection was that the price was too large, too extravagant; it was $50,000 a mile, but it should not have cost the half of that, 52; the price stated at which the Oakes Ames contract was let per mile, 653; I think the prices paid Ames were double what they should have been, 654; the Hoxie contract was extended while I was a director, 655; we knew that the Hoxie contract had been assigned to the Credit Mobilier, of which a large number of the directors were members, 655; by a report of June, 1865, we set out the Hoxie contract in full to the Secretary of the Interior, and stated our objections to it, after which we acquiesced in it, 656; I had a general knowledge that the capital stock was not subscribed, only just the minimum amount, 656; the Boomer contract I never saw, and I do not recollect the particulars of the Hoxie contract, 657; in 1864 our compensation was fixed at so much per day, 658; I cannot say that I have experience in railroad-building, 658; I think the profit was a good deal more than fifteen millions, 659; I should treat the Government

SHERMAN, CHARLES T.—Continued.

bonds and the first-mortgage bonds in the hands of the contractors as cash, 660; land-grant bonds are a third-class security on the road, but a first-class security on the lands, 660; I think $40,000 a mile from Omaha to the terminus of the road would have been sufficient, 662; I think a profit of $18,000,000 is more than it should be, 662; the first-mortgage bonds were averaging over 80, 663; I have never been over the road, 664; I was a member of the committee to settle accounts, 695; I made no inquiries as to the validity of the Hoxie contract, 696.

SMITH, E. J. testimony of:

I know a man named T. Z. Hoover, 578; I intrusted him with bonds to negotiate, 579; I cannot recollect the amount, but think I did not receive over a thousand dollars, 579; the reputation of Hoover is that he is a thief, a liar, and a perjurer—that is the common repute, 580.

SNYDER, WEBSTER, testimony of:

I was general superintendent of the Union Pacific Railroad, 467; I think I paid all the Government commissioners, 367; paid Cornelius Wendell $25,000, 467; he declined to act without, 467–469; I think Dr. Durant opposed the payment, 470–472, 474, 475.

SPENCE, BENJAMIN W., testimony of:

I am an accountant, 344; was an employé of the Union Pacific Railroad Company; was assistant treasurer of the trustees under the Ames contract, 345; full statement in relation to the $126,000, 345; how and to whom the $126,000 was distributed and paid, 345; amount of each check, 346–353; the $2,000,000 note was charged to the Hoxie contract, 354; the Credit Mobilier was indebted on the books of the Union Pacific Railroad Company, 354; the Hoxie contract stood debit on the books, $263,620, 355; Oakes Ames was debited with $1,748,739.95, 355; the entries show that the contractors on the Ames contract owed the company $1,748,739.94, 355; the books show a debit on the Davis contract of $23,548,547.54, 355; Credit Mobilier indebted to the Union Pacific Railroad, $816,285.01, 356; bonds sold, 356; bonds sold, income, land-grant, and bridge, to Mr. Bushnell, to the amount of $4,000,000 and $5,000,000, 356; subscription made by John A. Rice, 356–358; value of stock, 358; copy of a circular sent to the stockholders August 11, 1869, 358; second circular sent September 22, 1869, 359; what the stock of the Union Pacific Railroad realized in cash to the company, under the propositions stated in the circulars, 359; resolution of Mr. Duff relating to the interest, delays in location, and extraordinary expenses in building the road, 360; shortage on the bonds, 360; company ought to be in possession of the numbers of the missing bonds, 360; delivered the check to J. F. Wilson, on the 9th of May, 1871, 361; left the employ of the Union Pacific Railroad in June, 1871. 367; certificate of good character, 368; brought suit against the company, 368; I recovered two thousand two hundred and sixty-seven dollars from the company, 369; banks named where checks were collected, 370; I made the figures that I might be able to explain, in case any of the directors asked questions in relation to the checks, 526; the Wilson check came back at the end of the month, when the bank accounts came, 527; I did not give the check to Bushnell; the $19,000 check went out of my hands to Mr. Wilson, 527.

STATEMENT of assets of Union Pacific Railroad, 596; statement of Union Pacific Railroad bonds, 611; statement of the 8,263 land-grant bonds, 613; stockholders of Union Pacific Railroad, 599; stockholders February 24, 1872, 601; stockholders February 26, 1870, 605; subscribe to the $1,000 stock, 607; stockholders February 25, 1871, 607; statement of those who received the 8,263 land-grant bonds, 613.

STEWART, JOSEPH B., testimony of:

General answer to interrogatory, 173; did all I could to procure the passage of the amendment of 1864, 174; took a pretty active part in getting up the amendment, 174; addrssed members of Congress through the press and personally, 174; disclaims being a lobby member, 174; for the last twenty years have had a great deal of business before Congress, 174; labored for the Pacific Railroad act of 1864, 175; for individual services was paid $30,000; received pay through Durant, 175; bonds received from Hallett and Durant, 175; Durant and Hallett paid me a large amount, to exceed $250,000, 176; decline to allow any inquiry into my clients' business, 176; I object to the use of the language having traced into into my hands, 177; I have stated most distinctly that exceeding $250,000 of bonds passed through my hands, 177; never paid any of the bonds to an officer of the Government 177; I

STEWART, JOSEPH B.—Continued.
got the bonds the latter part of June, 1864, 179; I am the author of the eleventh section of the act of 1864, 179; reported to Durant how the money was spent, 179; refuse to answer, exclusively upon a sense of duty to my clients, 179; I stated that I had received $250,000 of bonds, 388; to the best of my recollection, I received something exceeding $100,000 of the bonds of the Union Pacific Railroad, 389; I have repeatedly stated, and I now again say, that I will make no statement about the business of my clients, 389; I refuse to speak about the business of my clients, 389; you need not give me another opportunity to answer that question, 389; questions propounded by the chairman to the witness, which he refused to answer, 390-393.

STOCK, how acquired, 327, 374, 375.

V.

VAN ZANDT, CHARLES C., testimony of:
I do not think I heard it stated that any of the money was used for corrupt purposes, 477.

W.

WILSON, JAMES F., testimony of:
Government commissioner, 227; when appointed, 227; was in Washington during the legislation of 1871, 227; was a member of a special committee for the examination of special legal accounts, 227; did not meet or act with the committee, 227; reason why I refused to act with the committee, 227, 228; General Dodge always insisted to me that there had been no money used improperly, 228; I had misgivings, based on public rumors, 229; if the money was used improperly I am glad I do not know it, 229, 230; I had an interest in the Credit Mobilier, 231; never examined the books of the Union Pacific Railroad, 231; since a member of the board have been opposed to their line of policy, 232; resolution of the 19th November, 1869, referring to the Wyoming coal contract, 232-234; resolution offered by Mr. Bushnell, referring to the Wyoming Coal Company, 234; I always got more information in regard to the road at Omaha than I did at Boston, 235; have frequently protested against the action of the executive committee, 236; change of route from Sioux City, 236; I took a good deal of interest in the road, 237; I am quite certain the character of the route was not disclosed, if it had been discovered, 238; examination of Mr. Spence by Hon. J. F. Wilson, 361, 362; statement of Hon. J. F. Wilson to the committee, 362, 363; was in the office at the time the checks were given, 363; additional statement relating to the $126,000, 363-367.

WILLIAMS, JOHN M. S., testimony of:
Treasurer from March, 1869, to March, 1871, Union Pacific Railroad Company, 160; was elected a director, but never served, 161; was one of the original stockholders, 161; I held stock to the amount of $20,000, 161; hold stock in the Credit Mobilier, 161; myself and partner hold $125,000 Credit Mobilier shares, 161; took no additional stock, 161; I was a member of the executive committee, 161; motion of Mr. Durant to establish a railway bureau, 162; proposition of Mr. Williams to build the road, 162; communication addressed by Mr. Williams to the railway bureau, 163; Mr. Williams's proposition accepted, 163; I think a small portion of the road included in my bid was built, 163; I was trying to get the road in the right hands, 163; the Union Pacific Railroad Company and Credit Mobilier were identical in interest, 163; we were building the road for ourselves, by ourselves, and among ourselves, 163; Mr. Durant had entire control, and we proposed to get it out of his hands, 163; the Credit Mobilier and the Union Pacific Railroad Company were the same people, 164; all the business of the executive committee of the railway bureau was done by the Credit Mobilier, 164; the Union Pacific Railroad issued the bonds, but could not sell them, 165; the dividends made by the trustees were divided among the stockholders of the Credit Mobilier, 165; the Williams contract was made in the interest of the Credit Mobilier, and was so stated on the records, 165; there was no provision made by the Credit Mobilier to report to Congress the actual cost of the road, 166; the return made to the Government was the cost of the contract, 166; it was in their capacity as stockholders in the Union Pacific Railroad that the division was made, 166; I do not think the Government was interested in it at all, 166; under the act of 1862 the road could not be built, 167; I think we had a right to do with them (dividends) what we had a mind to; they were our property; nobody else had any interest in them, 167; first-mortgage bonds and Union Pacific Railroad

WILLIAMS, JOHN M. S.—Continued.
stock divided by the trustees, 167 and 168; I do not know the number of miles built, 168; signed the Oakes Ames contract some time after it was made, 168; if the stockholders had not consented to the contract, it might have been wrong, 169; I was in the railway bureau, connected with the management of the Credit Mobilier, and I was left out of it, 169; it was understood that the profits of the Ames contract were to be divided among the stockholders, 169; I based my opinion that the stockholders would share in the profits of the Ames contract because it was a common understanding, and nobody would have a right to make a contract for common benefits, 170; we were acting together; there was no wrong done to any one of us, 170; did the road cost the Union Pacific Railroad more than it did the Credit Mobilier? I answer by saying "If your right-hand pocket had more money than your left, and you took some from the right and put in the left, you would be neither richer nor poorer, 170; the cost of the road was represented by bonds, stocks, and money, 171; General Butler was employed as counsel, 172; the stockholders had not assented to the Ames contract, 172; I remember there was a note for $2,000,000 given as a part of the balance due the Credit Mobilier, 201; it was an unascertained balance, supposed to be about $2,500,000, 201; the note was given to Elisha Atkins, 201; the Credit Mobilier were the contractors for building the first 247 miles of road, 202; the Union Pacific Railroad agreed to pay 2½ per cent. for something, 202; the Hoxie contract was completed in 1867, 202; cannot explain why the $2,000,000 note was charged to the Hoxie contract, 202; was treasurer at the time the two-million note was given, 203; I was opposed to the Ames contract, 203; was a stockholder in the Credit Mobilier in 1869, 203; the note was given as collateral to those who signed the bond in the Pennsylvania tax-suit, 203; all were interested in both corporations, 204; statement as to reasons for giving the note, 204; copy of letter from B. F. Ham to Mr. Williams, 205; in 1867 was treasurer of the Union Pacific Railroad Company, 206; I paid the $126,000 to Mr. Dodge, 206–210.